

NATIONAL DAIRY MARKET NEWS AT A GLANCE**CME GROUP CASH MARKETS (2/01):**

**BUTTER:** Grade AA closed at \$1.5550. The weekly average for Grade AA is \$ 1.5350(+.0300).

**CHEESE:** Barrels closed at \$ 1.5425 and 40# blocks at \$ 1.6450. The weekly average for barrels is \$ 1.5415 (-.0448) and blocks, \$ 1.6450 (-.0075).

**BUTTER HIGHLIGHTS:** Butter prices on the CME Grade AA market this week moved up 5 cents to close Friday at \$1.5550. Cream remains plentiful and available at discounts to butter churns in the West and Midwest. Spot cream loads from the East and the West are moving to a few Central Class II plants as well as butter making operations. Northeast cream supplies going to churns remain heavy, with most churns in the region operating at near capacity. Manufacturers and some buyers are building butter inventories, with increasing stocks not being considered problematic. Prices for bulk butter range from 3 cents under to 5 cents under the market in the West and from 4-14 cents over the market in the Northeast. The CWT program continued to assist with export sales for 1.2 million pounds of butter for delivery through June 2013.

**CHEESE HIGHLIGHTS:** January has proven to be a tough month for cheese prices across the nation. Milk volumes to cheese plants remain strong, especially in the Midwest. Milk production in the Midwest was up 4.8% from last December compared to a national increase of 1.7%. Eastern milk supplies are strong with cheese manufacturers working busier than anticipated schedules. Increased inventories of cheese are affecting sales as buyers are waiting to find a market bottom to increase purchases. Prices for barrels at the CME Group in January of 2013 have moved \$.1975 lower, with blocks \$.1150 lower. Barrel sales have been active for the month with blocks showing less volatility and lighter sales. Lower prices have buyers looking to find cheese for aging programs, but slow to make commitments. Export buyers are in much the same position, although sales through the CWT program remain active. This week the program committed to assist with 7.6 million pounds of cheese sales. Trading at the CME Group for barrels closed the week at \$1.5425, down \$.0300 from last Friday. Blocks closed at \$1.6450, unchanged from last week's close.

**FLUID MILK:** The January 11 cow slaughter total of 72.5 million head is the highest since 1997. Contacts continue to report flat milk production in California. Most do not expect much change through the winter because of the ongoing financial stress at the producer level. The milk flow in New Mexico is generally steady with the eastern part of the

state experiencing more stress from feed prices than the west. It is also indicated that fat and protein levels are very good and have been that way all fall and winter. Milk receipts in the Pacific Northwest are at expected levels. Weather conditions are reported to be favorable in Utah and Idaho for milk production. Manufacturing capacity in the region is adequate to handle current supplies of milk. Central farm milk intakes continue to outpace expectations in the Central region. In some places, milk intakes have outstripped capacity at local processing facilities. A few spot milk loads cleared into Class III operations at \$1.50 - \$3.00 under Class, but interest is very light. Market participants note flat to slightly lower interest in bottled milk at the beginning of this week. Class I demand has increased in the Mid-Atlantic and Northeast regions as a number of storm fronts have prompted increased fluid sales. Manufacturing milk supplies have marginally declined as a result of the increase in fluid milk demand. Milk production in the Southeast region has improved with most of the increases being noted in Georgia and the Gulf Coast states.

**DRY PRODUCTS:** Price trends for Central and East nonfat dry milk were mixed this week in an unsettled market. Prices for low heat nonfat dry milk moved higher on the full range, but held steady on the mostly range. The high heat price range expanded as the low end of the range moved lower and the high end of the range moved higher. Central market participants report the price differentials that usually delineate regional manufacturers' spot nonfat dry milk prices have largely disappeared. Production of nonfat dry milk in the East declined in some areas, but overall production continues to add to supplies. Western low/medium heat NDM prices are mixed this week with the average of the price range increasing while the average of the mostly price declined. Powder production remains heavy and stocks are heavier than desired at production plants and building. A weaker tone continues to chip away at the top of the Central and East dry buttermilk market. With cream supplies flowing into the Central region from the East and West, and a few ice cream plants on temporary hiatus, churns in the region are filled. Western buttermilk powder range prices narrowed with the bottom increasing and the top declining. The average of the mostly price series declined. Sales activity remains light and production is heavier than anticipated. Dry whole milk prices stepped lower this week as buyers factor in recent adjustments in nonfat and butterfat solids market values and inventories. Northeast dry whey prices moved marginally lower this week as sales based on various price indices decreased the upper end of the range. Most dry whey inventories are expanding. Conditions in the

**\*\*\*\*\*SPECIALS THIS ISSUE\*\*\*\*\***

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**CME GROUP CASH TRADING**

COMMODITY	MONDAY JAN 28	TUESDAY JAN 29	WEDNESDAY JAN 30	THURSDAY JAN 31	FRIDAY FEB 01	:: WEEKLY CHANGE*	:: WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.5700 (-.0025)	\$1.5325 (-.0375)	\$1.5300 (-.0025)	\$1.5325 (+.0025)	\$1.5425 (+.0100)	:: (-.0300)	:: \$1.5415 (-.0448)
40# BLOCKS	\$1.6450 (N.C.)	\$1.6450 (N.C.)	\$1.6450 (N.C.)	\$1.6450 (N.C.)	\$1.6450 (N.C.)	:: (N.C.)	:: \$1.6450 (-.0075)
NONFAT DRY MILK							
EXTRA GRADE	\$1.5600 (N.C.)	\$1.5600 (N.C.)	\$1.5600 (N.C.)	\$1.5600 (N.C.)	\$1.5600 (N.C.)	:: (N.C.)	:: \$1.5600 (N.C.)
GRADE A	\$1.5300 (N.C.)	\$1.5300 (N.C.)	\$1.5300 (N.C.)	\$1.5200 (-.0100)	\$1.5200 (N.C.)	:: (-.0100)	:: \$1.5260 (-.0040)
BUTTER							
GRADE AA	\$1.5050 (N.C.)	\$1.5050 (N.C.)	\$1.5550 (+.0500)	\$1.5550 (N.C.)	\$1.5550 (N.C.)	:: (+.0500)	:: \$1.5350 (+.0300)

CHEESE: carload = 40,000 lbs., BUTTER: carlot = 40,000-43,000 lbs. \*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week.

Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/DAIRYMARKETNEWS.

NATIONAL DAIRY MARKET NEWS AT A GLANCE

Central dry whey market remain lethargic, and prices are unchanged to slightly lower on the top of the range and bottom of the mostly. Western dry whey prices are mostly steady to lower. The average prices for both the range and mostly series are lower this week. No changes are noted on the whey protein concentrate 34% mostly price series this week. Spot load availability from some manufacturers is steady, with pricing ranging from market minus to market plus depending on inventories and WPC 34% quality characteristics. Another decrease in pricing on the lactose range series registered this week, with F.O.B. sales clearing at \$.047. This price level last appeared at the bottom of the Central and West range series in September of 2011. Prices are unchanged for both casein types. The market tone is steady to firm.

**INTERNATIONAL DAIRY MARKET NEWS (DMN):**  
**WESTERN EUROPE OVERVIEW:** Milk production trends in Western Europe are steady with recent weeks with limited events occurring that are affecting output to any great extent. Aggregate seasonal output for the EU countries is below year ago levels. Weather conditions in Germany have been variable, but only limited effects on milk production and collections. Output is generally stable to slightly lower. Ireland and England remain behind year ago levels. Cost of production factors continue to be a limiting influence for milk growth. Milk prices have trended higher. Euro valuation increases are increasing pricing in the world market and limiting sales. World buyers are finding pricing of EU sourced dairy products more expensive and more challenging to work into budgets. While butter and WMP prices remain at a competitive disadvantage to export, SMP and whey are still moving. Current returns are favorable for cheese/whey derivatives production. Cheese demand is good. **EASTERN EUROPE OVERVIEW:** Milk growth has slowed in Poland, but remains above year ago marks. Dairy product output is steady to lower across countries. Traders and handlers are looking for value offerings and reaching to areas with product availability. **OCEANIA OVERVIEW:** NEW ZEALAND milk production for the month of December was about 8% higher than a year earlier, with the season to date trend at 7% higher. The fantastic run of weather for NZ continues and output continues in line with forecasts. The expectations are for contraction at the end of shoulder season months and for the total season projections to be around 3-4% higher than the previous season. Processing plants are running on planned schedules and making products for orders on the books. AUSTRALIAN milk output in December was tracking 2% lower, a level surprising to the industry. Additional adjustments are expected to pull the seasonal growth rate closer to 1% above the prior season. Recent weather conditions have been hot in some areas, yet rainy with floods in others. The direct impact on the milking herd has been seemingly minimal to the current point, yet the overall effects are responsible for the decline in the milk flow. Some flooding in Queensland has disrupted milk collections into the processing plants. Dairy product prices in the region are mostly steady with some slight adjustments occurring. Supplies are generally in good balance to service current ordering and sales on the books. Butter orders are moving well. Skim milk powder pricing is slightly lower. Competitive pricing from other world suppliers is noted. Whole milk powder market trends are slightly firmer with demand in play from Asia. Cheese market pricing and trends are steady.

**DECEMBER AGRICULTURAL PRICES (NASS):** The All Milk price received by farmers was \$20.00 in January, down \$0.90 from December 2012 and up \$1.00 from January 2012. The Milk Cows price was \$1,370 in January, down \$90 from January 2012. Alfalfa hay price was \$217.00 in January, up \$24.00 from January 2012. Corn price was \$6.98 in January, up \$0.91 from January 2012. Soybean price was \$14.10 in January, up \$2.20 from January 2012. The milk-feed price ratio was 1.58 in January, down 0.14 from January 2012. The index of prices received by farmers for dairy products decreased 7 points during the month of January 2013 to 153. Compared with January 2012, the index was up 8 points (5.5 percent). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in January -1A-

2013 increased 3 points to 221. Compared with January 2012, the index was up 11 points (5.2 percent).

**CONSUMER PRICE INDEX (BLS):** The December CPI for all food is 235.4, up 1.8% from December 2011. The dairy products index is 219.4, up 0.5% from a year ago. The following are December-to-December changes for selected products: fresh whole milk is +2.9%; cheese, +0.1%; and butter, -2.6%.

**COMMERCIAL DISAPPEARANCE (ERS, AMS):** Commercial disappearance of dairy products during the first eleven months of 2012 totals 185.8 billion pounds, 2.1% above the same period of 2011. Comparing disappearance levels with year earlier levels: butter is even; American cheese, +2.2%; Other cheese, +1.9%; Nonfat Dry Milk, +21.6%; Fluid Milk Products, -1.7%.

**JANUARY FMMO CLASS AND COMPONENT PRICES (DAIRY PROGRAMS):** The following are the January 2013 prices under the Federal Milk Order pricing system and the changes from the previous month: Class II \$18.19 (-\$0.11), Class III \$18.14 (-\$0.52), and Class IV \$17.63(-\$0.20). Product price averages used in computing Class prices are: butter \$1.5066, NDM \$1.5601, cheese \$1.7485, and dry whey \$0.6503. The Class II butterfat price is \$1.6238 and the Class III/IV butterfat price is \$1.6168. Further information may be found at: [www.ams.usda.gov/AMSV1.0/PriceFormulas2012](http://www.ams.usda.gov/AMSV1.0/PriceFormulas2012)

**FEBRUARY ANNOUNCED COOPERATIVE CLASS I PRICES (FMMO):** For February 2013, the all-city average announced cooperative Class I price was \$23.28, \$2.43 higher than the Federal milk order (FMO) Class I price average for these cities. The February 2013 Cooperative Class I price was \$0.79 lower than the January 2013 price. The February 2013 Federal order Class I price was \$0.76 lower than the January 2013 price. On an individual city basis, the difference between the Federal order and announced cooperative Class I price ranged from \$0.52 in Phoenix, AZ, to \$4.21 in Miami, FL. For February 2012, the all-city average announced cooperative Class I price was \$22.12, \$2.47 higher than the Federal order Class I price average for these cities. Note: For most cities, the Announced Cooperative Class I Price now includes premiums paid for milk produced without rBST.

**NOVEMBER OVER-ORDER CHARGES ON PRODUCER MILK (FMMO):** For November 2012, the all reporting areas combined average over-order charge on producer milk used in Class I was \$2.12, the same as the October 2012 average. Ninety percent of the producer milk used in Class I carried an over-order charge. On an individual order basis, Class I over-order charges ranged from \$0.81 in the Pacific Northwest to \$3.01 in the Florida Order. For producer milk used in Class II, the all reporting areas combined average over-order charge was \$1.20, down \$0.08 from the October 2012 average. Eighty percent of the producer milk used in Class II carried an over-order charge.

**CME GROUP**

MONDAY, JANUARY 28, 2013

CHEESE -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.5700  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 1 CAR GRADE AA @ \$1.4400; LAST OFFER UNCOVERED: NONE

TUESDAY, JANUARY 29, 2013

CHEESE -- SALES: 5 CARS BARRELS: 1 @ \$1.5550, 1 @ \$1.5425, 2 @ \$1.5400, 1 @ \$1.5325; 1 CAR 40# BLOCKS @ \$1.6450; LAST BID UNFILLED: 1 CAR 40# BLOCKS @ \$1.6450; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.5400  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: 1 CAR GRADE AA @ \$1.5050; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE

WEDNESDAY, JANUARY 30, 2013

CHEESE -- SALES: 1 CAR BARRELS @ \$1.5300; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.5300  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: 11 CARS GRADE AA: 2 @ \$1.5125, 2 @ \$1.5225, 2 @ \$1.5450, 1 @ \$1.5475, 4 @ \$1.5500; LAST BID UNFILLED: 2 CARS GRADE AA @ \$1.5550; LAST OFFER UNCOVERED: NONE

THURSDAY, JANUARY 31, 2013

CHEESE -- SALES: 4 CARS BARRELS: 1 @ \$1.5300, 1 @ \$1.5275, 1 @ \$1.5300, 1 @ \$1.5325; 1 CAR 40# BLOCKS @ \$1.6450; LAST BID UNFILLED: 1 CAR BARRELS @ \$1.5300; LAST OFFER UNCOVERED: NONE  
 NONFAT DRY MILK -- SALES: 1 CAR GRADE A @ \$1.5200; LAST BID UNFILLED: 1 CAR GRADE A @ \$1.5100; LAST OFFER UNCOVERED: 1 CAR GRADE A @ \$1.5200  
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 3 CARS GRADE AA @ \$1.5550; LAST OFFER UNCOVERED: NONE

FRIDAY, FEBRUARY 1, 2013

CHEESE -- SALES: 2 CARS BARRELS @ \$1.5400; LAST BID UNFILLED: 2 CARS BARRELS @ \$1.5425; LAST OFFER UNCOVERED: 1 CAR BARRELS @ \$1.5700  
 NONFAT DRY MILK -- SALES: NONE; LAST BID UNFILLED: NONE; LAST OFFER UNCOVERED: NONE  
 BUTTER -- SALES: NONE; LAST BID UNFILLED: 3 CARS GRADE AA @ \$1.5550; LAST OFFER UNCOVERED: NONE

**BUTTER MARKETS****NORTHEAST**

The butter price on the CME Group was unchanged Tuesday and closed at \$1.5050. Following a series of price increases, butter prices have been unchanged for the last 6 sessions in fairly light trading with 5 loads transacted. Cream supplies going to churns remain heavy with most churns operating at near capacity. Current butter production is filling orders and adding to inventories. All varieties of butter, 80%, 82%, salted and unsalted, are in current production. Domestic demand is steady and typical for this time of year. Bulk butter purchases remain fairly active with numerous buyers viewing the butter market as being at a level that offers the opportunity to expand inventories at minimal risk. Export demand is active with good support from incentive programs. Current bulk butter prices remain strong and range from 4-14 cents over the market based on the CME Group with various time frames and averages used. Cooperatives Working Together (CWT) has accepted requests for export assistance to sell 1.160 million pounds (536 metric tons) of butter. The product will be delivered February through June 2013.

**MIDWEST**

Butter production in the Central region continues to be active at churns throughout the region. Light to moderately increasing Class II demand from some ice cream and ice cream mix plants is noted as those plants gradually increase production, but the majority of Central cream is funneling into butter. Spot cream loads from the East and the West are also finding processing room in a few Class II plants as well as butter making operations. Equipment problems at one Central churn caused some additional transportation of cream loads, but all cream volumes found processing room. Many butter manufacturers are building bulk butter inventories with confidence that a price rally in the near future will provide coverage of production and storage costs as well provide a comfortable profit margin. However, domestic butter stocks at the start of 2013 were

43% higher than year ago levels, and at the highest level since 2007. Grade AA prices at the CME Group held steady from last week at \$1.5050 until Wednesday, when sales and unfilled bids pushed prices 5 cents higher. Cooperatives Working Together announced export assistance for 1.2 million pounds of butter destined for 5 international regions including: Asia, Europe, the Middle East, North Africa and Oceania. Deliveries will begin in February and extend through June of this year.

**WEST**

Western butter prices are higher this week. Butter prices have moved higher over the past two weeks and the trend is continuing. Market participants are uneasy as to why the market has found strength recently. Cream remains plentiful and available at discounts to butter churns in the West and Midwest. Futures are at a premium to spot prices and buyers are willing to purchase for inventory in many cases. Stocks are building but are not considered to be problematic. The CWT program continued to assist with export sales for 1.2 million pounds of butter for delivery through June 2013. Prices for bulk butter range from 3 cents under to 5 cents under the market, based on the CME with various time frames and averages used. Wednesday's close on the CME Group exchange for butter is \$.0500 higher at \$1.5550. After holding steady for the last week and a half, the market was higher on active trading of eleven loads on Wednesday. The price was the largest one day increase since early October of 2012.

**NATIONAL DAIRY PRODUCTS SALES REPORT****U.S. AVERAGES AND TOTAL POUNDS**

<b>WEEK ENDING</b>	<b>BUTTER</b>	<b>CHEESE 40# BLOCKS</b>	<b>CHEESE BARRELS 38% MOISTURE</b>	<b>DRY WHEY</b>	<b>NDM</b>
January 26, 2013	1.5011 3,599,428	1.7353 12,446,562	1.7081 9,345,983	0.6539 7,317,906	1.5492 20,906,874

## CHEESE MARKETS

## NORTHEAST

Cheese prices on the CME Group were mixed Tuesday with barrels decreasing \$0.0375 to close at \$1.5325, while blocks held unchanged at \$1.6450. Cheese prices have continued their downward trend over the last 6 sessions with barrels declining \$0.1050 and blocks \$0.0425. Weekly CME Group average cheese prices declined and lowered wholesale prices for Process 5# Sliced by \$0.0725 with Cheddar and Muenster declining \$0.0500. Milk volumes to cheese plants remain strong keeping cheese operations on 6-7 day production schedules. Production volumes are beyond demand needs and inventories are building. Orders for the Super Bowl are in place, so now cheese makers are hoping for promotions and good sales prior to Easter to help balance inventories. Cheddar going into aging programs continues to be active. The possibility of a Longshoreman's strike continues with exporters becoming increasingly uneasy as the strike deadline date of February 6 approaches. Export interest continues to be fairly active, due to the recent price declines and incentive program assistance. Cooperatives Working Together (CWT) has accepted requests for export assistance to sell 7.579 million pounds (3,438 metric tons) of Cheddar and Monterey Jack cheese. The product will be delivered February through June 2013.

WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 40# Block	: 2.0525-2.3375
Process 5# Sliced	: 1.8050-2.2850
Muenster	: 2.0725-2.4325
Grade A Swiss Cuts 10 - 14#	: 3.8375-4.1600

## MIDWEST

Somewhat widespread sentiment two weeks ago that cheese prices were within range of finding a bottom, has been replaced by greater uncertainty over the near term future. This has slowed cheese buying reported by many plants. Milk supplies available for making cheese remain stronger than some cheesemakers care to utilize with present pricing and price trends. Both domestic and export buyers are less motivated to close deals until cheese price declines are perceived to be close to the bottom. With cheese inventories building, some cheese manufacturers with capacity to manufacture other dairy products have begun shifting milk that might have gone into cheese, into butter, condensed skim and some nonfat dry milk manufacturing. Some cheese manufacturers are also simply reducing production. CME prices for blocks have not closed up yet during 2013 and barrels last closed up the first trading day of the year, January 2. Since that first trading day's close, barrels are down \$.2000 for the year through Wednesday and blocks are down \$.1150. The spread between blocks and barrels during 2013 has widened from 3 cents to \$.1150 this Wednesday, the widest price spread of the year. The most recent \$.0425 added to the price spread has occurred since last Thursday, resulting entirely from the barrel price declining, with no change in the block price. The recent general impression that more milk was being produced and thus, heading to cheese manufacturing, was quantified with last week's release of Milk Production. Midwest states listed among the 23 states produced 4.8% more milk in December 2012 than 2011, in contrast with 1.7% nationally. In the Midwest states, this production increase yielded an additional 241 million pounds of milk during December. Nationally milk production in the 23 major

states during December totaled 15.7 billion pounds, up 1.7% from December 2011. November revised production was up 1.3% from November 2011, 0.2% higher than initially reported. Cooperatives Working Together (CWT) has accepted requests for export assistance to sell 7.579 million pounds (3,438 metric tons) of Cheddar and Monterey Jack cheese to customers in Asia, Europe, the Middle East, North Africa and Oceania. The product will be delivered February through June 2013.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	: 1.7775-2.4825
Brick And/Or Muenster 5#	: 2.0400-2.6000
Cheddar 40# Block	: 2.0400-2.9125
Monterey Jack 10#	: 2.0100-2.9125
Blue 5#	: 2.3050-3.2900
Mozzarella 5 - 6# (Low Moisture, Part Skim)	: 1.8850-3.0125
Grade A Swiss Cuts 6 - 9#	: 3.3575-3.4750

## WEST

Western cheese prices are lower again this week. Since the start of 2013, the barrel price has gone \$.2000 cents lower and blocks are off \$.1150. Barrel stocks are felt to be long and blocks have followed the lowering trend. Cheese production remains heavy as milk is being channeled to cheese plants. With the weaker prices, buyers are reluctant to order ahead until they feel the market has stabilized. The CWT program has accepted bids for assistance to sell 7.6 million pounds of cheese to export destinations this week. Cheese prices at the CME Group for Wednesday settled lower for barrels and unchanged for blocks. Barrels closed \$.0025 lower at \$1.5300 and blocks were at \$1.6450. Barrel prices have gone lower each day this week with no change for the block price. Blocks and barrels are trading in divergent directions. The spread between blocks and barrels has increased to the largest spread of the year at \$.1150 cents. Sales this week of barrels is moderate at six loads and block sales are light with only one sale so far this week.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND  
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	: 1.7125-1.9700
Cheddar 40# Block	: 1.7725-2.1250
Cheddar 10# Cuts	: 1.9525-2.1725
Monterey Jack 10#	: 1.9625-2.1225
Grade A Swiss Cuts 6 - 9#	: 3.4150-3.8450

## FOREIGN

The weekly average CME Group block price continued its downward trend and declined for the third consecutive week, lowering domestic wholesale foreign type cheese prices by \$0.0500. Import cheese and Swiss cut varieties were unchanged. Market analysts in Europe see 2013 milk production in the EU staying below 2012 volumes during the first quarter. European consumption trends are favoring cheese and other dairy products. Reduced milk volumes in combination with stronger European demand for cheese will tighten available cheese supplies for export to the U.S. Importers remain concerned over the unresolved Longshoreman's contract

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## CHEESE MARKETS

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with a strike deadline of February 6 approaching. According to FAS, imports of high tier and quota Italian-type cheese in 2012 totaled 30.2 million pounds, down 5.4% compared to 2011. Imports of quota Italian-type cheese in 2012 totaled 15.2 million pounds, 2.1% below the previous year, and 51.2% of the annual quota. Imports of high tier Italian-type cheese in 2012, totaled 15.0 million pounds, down 8.6% from 2011. Imports of high tier and quota Swiss/Emmenthaler varieties in 2012 totaled 42.4 million pounds, 5.5% less than 2011.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK  
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Blue	: 2.6400-5.2200	: 2.1925-3.6800*
Gorgonzola	: 3.4900-6.1900	: 2.6950-3.1500*
Parmesan (Italy)	: -0-	: 3.5825-5.6725*
Provolone (Italy)	: 3.4400-5.4500	: 2.2350-2.3925*
Romano (Cows Milk)	: -0-	: 3.3825-5.5325*
Sardo Romano (Argentine)	: 2.8500-3.6900	: -0-
Reggianito (Argentine)	: 3.2900-4.3900	: -0-
Jarlsberg-(Brand)	: 2.9500-5.2900	: -0-
Swiss Cuts Switzerland	: -0-	: 3.9350-4.2575
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-

\* = Price change.

WEEKLY COLD STORAGE HOLDINGS - SELECTED STORAGE CENTERS  
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

BUTTER : CHEESE

	:	
01/28/13	11,439	: 116,546
01/01/13	5,499	: 115,643
CHANGE	5,940	: 903
% CHANGE	108	: 1

## FLUID MILK AND CREAM

## EAST

## SPOT SHIPMENTS OF GRADE A MILK INTO OR OUT OF FLORIDA &amp; SOUTHEASTERN STATES

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	0	84	0	0	100
SOUTHEAST STATES	0	0	0	0	0	0

Class I demand has increased in the Mid-Atlantic and Northeast regions as a number of storm fronts have prompted increased fluid sales. Manufacturing milk supplies have marginally declined as a result of the increase in fluid milk demand. Milk production is steady to increasing with milk volumes above year ago levels. Class I demand has leveled off in Florida as milk production has begun to increase after being unchanged for a number of weeks. Milk supplies are in balance with need, which resulted in zero loads of imports or exports. Comments from producers at annual meetings seem to indicate that producers are not inclined to change feed rations until June, which may limit milk production during the flush. The hesitation to change rations is an indication of the tenuous feed supply situation, brought about by high grain prices and the state's increasingly severe drought condition. Milk production in the Southeast region has improved with most of the increases being noted in Georgia and the Gulf Coast states. Supplies are, for the most part, in balance with need as Class I demand has leveled off and even declined in some areas. Contact speculation as to the cause of the fluid milk sales decline, was attributed to consumer preferences for alternative beverages for the upcoming Super Bowl weekend. Only marginal volumes of milk are being diverted to auxiliary manufacturing facilities. Cream supplies remain heavy in the East and continue to necessitate cream movement into the Midwest to relieve the burdensome supply. Demand for cream has improved this week, but supply quickly outpaces demand. Most cream based product manufacturing plants have expanded production schedules to take advantage of the readily available supplies and lower prices. Nearly all available churns in the East are operating on expanded schedules with some operations at near capacity levels. Multiples moved marginally lower this week and ranged from 101-115. Demand for condensed skim increased marginally as some Class II operations have increased production, but spot sales remain light as most manufacturers are keeping production levels in line with their contracted supplies. Considerable volumes continue to make their way to Class IV production. According to NASS, milk production for December 2012 in the 23 reported states totaled 15.7 billion pounds, up 1.7% from December 2011. Milk production increased in 3 of the 5 listed states in the Eastern region. Eastern region production increased 2.5% over the same month last year to 2,577 million pounds. The 5 states showed the following percentage changes in milk production from December 2011 to December 2012 and total milk production this December: Florida, unchanged, 196 million pounds; New York, +4.2%, 1,116 million pounds; Pennsylvania, +1.2%, 900 million pounds; Vermont, +2.8%, 218 million pounds; and Virginia, unchanged at 147 million pounds. Milk cow numbers for December 2012 increased in 2 of the 5 listed states of the Eastern region with 2 states declining and 1 state unchanged. As a region, cow numbers were 3,000 head (-0.2%) less compared to the same period last year. Individual state cow numbers compared to December 2011 and cows remaining as of this December are: Florida, 2,000 increase,

122,000 remaining; New York, unchanged, 610,000 remaining; Pennsylvania, 5,000 decrease, 534,000 remaining; Vermont, 1,000 increase, 134,000 remaining; and Virginia, 1,000 decrease, 95,000 remaining.

## FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

## SPOT PRICES OF CLASS II CREAM, DOLLARS PER LB. BUTTERFAT:

F.O.B. producing plants: Northeast -	1.5201-1.7308
F.O.B. producing plants: Upper Midwest -	1.7007-1.8211

## PRICES OF CONDENSED SKIM, DOLLARS PER LB. SOLIDS,

## F.O.B. PRODUCING PLANTS:

Northeast - Class II - includes monthly formula prices -	1.56 - 1.63
Northeast - Class III - spot prices -	1.55 - 1.63

## MIDWEST

Central farm milk intakes continue to outpace expectations in the Central region. In some places, milk intakes have outstripped capacity at local processing facilities. It was reported anecdotally that a Wisconsin processor this week informed some dairy farmers their farm milk will no longer be accepted and they will need to find another market for their milk. As this was apparently a sudden change in marketing arrangements, haulers were turned away upon arrival at the processing plant. No other details are available at this time. Another cheese plant operator indicated multiple offers for spot milk were received this week, both for current week processing as well as for the coming month. Here, too, internal milk supplies are ample, and many cheese plant operators are not seeking additional manufacturing milk at this time. A few spot milk loads cleared into Class III operations at \$1.50 - \$3.00 under Class, but interest is very light. Market participants note flat to slightly lower interest in bottled milk at the beginning of this week. Schools closed in several areas as winter storms peppered the Central region with rain, sleet, and snow. This may result in carryover of carton milk into next week, and decrease the need for replenishing school lunch milk. Many bottlers also noted a lack of fluid milk bundling features at grocery outlets that combine breakfast cereal and fluid milk. Cream sales into Class II facilities are uneven. One or two ice cream manufacturing operators indicate ice cream production is edging seasonally higher. Various lines for specialty items are running intermittently. One large facility, however, shut down for four days this week to update IT systems. This sent additional cream into churns for clearing. Cream multiples for Class II gained a few points on the top of the range, but dropped a few points on the bottom, ranging from 1.13 - 1.21.

## WEST

Contacts continue to report flat milk production in CALIFORNIA. Most do not expect much change through the winter because of the ongoing financial stress at the producer level. Plants are running efficiently with current milk volumes. Prices for premium quality hay in the north average \$210/ton delivered, about \$240 in the San Joaquin Valley, and \$220 in the Imperial Valley. The second snow survey of 2013 was conducted on January 29. The snowpack's statewide water content is at 93% of average for this time of year. The storms of November and early December built up a good base, but since that time it has been quite dry. Contacts indicate that the milk flow in NEW MEXICO is generally steady with the eastern part of the state experiencing more stress from feed prices than the

CONTINUED ON PAGE 4A

## FLUID MILK AND CREAM

## CONTINUED FROM PAGE 4

west. It is also indicated that fat and protein levels are very good and have been that way all fall and winter. Western CREAM markets are weak. Cream supplies remain heavier than anticipated and some cream continues to move into the Midwest to find buyers willing to take it at some price. Butter prices for Grade AA at the CME Group closed at \$1.5550 on Wednesday, January 30, up 5 cents from a week earlier. Western contacts are very surprised at this move with cream still weak and butter stocks above expected plan numbers. Cream multiples continue to be weak at an 85 to 120 range, and vary depending on basing points and averages used. According to NASS, December *Milk Production* for the 23 surveyed states totals 15.7 billion pounds, up 0.3 billion pounds, or 1.7% from last year. Production per cow for these states averaged 1848 pounds, up 30 pounds or 1.7% from last year. Looking at selected Western state the change in production per cow from last year is as follows: Arizona +2.8%, California -2.3%, Colorado +3.1%, Idaho +1.0%, New Mexico +3.7%, Oregon n/c, Utah +0.6%, and Washington n/c. December 2012 POOL RECEIPTS of milk in CALIFORNIA total 3.30 billion pounds, 1.5% lower than last year, according to CDFA. Cumulative January-December 2012 receipts are 1.9% higher than in 2011, unadjusted for the extra day in 2012. The December blend price, at a fat test of 3.85%, is \$18.57, \$1.29 lower than November but \$1.23 more than December 2011. The percentage of receipts used in Class 1 products is 14.3%. The December quota price is \$18.97 and the over quota price is \$17.27. These prices are \$1.22 lower than November but \$1.17 higher than a year ago. (NOTE: Decisions whether to/not to pool milk affect receipts and comparisons reported.) Milk receipts in the PACIFIC NORTHWEST are at expected levels. Weather conditions have been favorable, with no interruptions in milk handling due to winter storms. Receipts are building slowly due to slightly increased herd size in Washington. Manufacturing capacity is sufficient to comfortably handle current supplies. Although farmers are cautious about increasing herd size, replacement heifers are available at favorable prices. A recent auction in Washington offered springing heifers ranging from \$1000-\$1275 per head. Cull dairy cows are currently selling between \$55.00-78.00/cwt. in the region. Weather conditions are reported to be favorable in UTAH and IDAHO for milk production. Dairy farmers are slow to build herd numbers due to high feed prices and market indications for lower milk prices in the near future. Although, increased milk demand in the region is helping to bolster confidence for better prices. Manufacturing capacity in the region is adequate to handle current supplies of milk in the region.

## NONFAT DRY MILK, BUTTERMILK &amp; WHOLE MILK

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

## NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Market participants report the price differentials that usually delineate regional manufacturers' spot nonfat dry milk prices have largely disappeared. Prices for spot loads currently hover in the low to mid \$1.50's, regardless of location. Many NDM end users remain on the sidelines, waiting for price movement. Market participants speculate this flattening of regional price differentials may be the first sign of downside price movement. Central region manufacturers' NDM inventories continue building. A few multi-end product manufacturers indicate they are sending more farm milk loads into nonfat dry milk instead of cheese, as cheese inventories have also been building alongside that unsettled market. Nonfat dry milk production is steady to higher at many Central drying facilities.

EAST: Price trends for nonfat dry milk were mixed this week in an unsettled market. Prices for low heat nonfat dry milk moved higher on the full range, but held steady on the mostly range. The high heat price range expanded as the low end of the range moved lower and the high end of the range moved higher. The ups and downs of the nonfat dry milk market continues to perplex many in the industry as rising inventories in combination with rising prices, defy the conventional economic laws of supply and demand. Production of nonfat dry milk declined in some areas, but overall production continues to add to supplies. Some manufacturers continue to offer discounts on spot sales as a way to better balance their inventories. Demand remains sluggish as numerous buyers and end users are trying to wait out the market in anticipation that supplies will pressure prices lower. Trading activity remains relatively light. Spot sales and resale prices are consistently under contract pricing, which gives the market a weak undertone.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUM HEAT: 1.5000 - 1.6600 MOSTLY: 1.5100 - 1.6200  
 HIGH HEAT: 1.6000 - 1.7100

## NONFAT DRY MILK - WEST

Western low/medium heat NDM prices are mixed this week with the average of the price range increasing while the average of the mostly price declined. Powder production remains heavy and stocks are heavier than desired at production plants and building. Milk clearing through butter/powder operations is heavier than expected as some cheese plants attempt to limit production by not taking as much milk as expected. Buyers have stocks on hand for immediate needs and are not aggressively looking for additional powder outside of planned needs at this time. Most buyers also expect some price weakness will develop in the near future so they are content to wait for a while before thinking about stocking up. The high heat price expanded this week. Orders are seasonal at typical levels.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUM HEAT: 1.5000 - 1.6100 MOSTLY: 1.5100 - 1.5650  
 HIGH HEAT: 1.5900 - 1.6875

## DRY BUTTERMILK - CENTRAL AND EAST

CENTRAL: A weaker tone continues to chip away at the top of the Central and East dry buttermilk market. With cream supplies flowing into the Central region from the East and West, and a few ice cream plants on temporary hiatus, churns in the region are filled. A mechanical problem at one Central churn caused some reshuffling of cream loads, and some truckers had extended wait times for unloading, but all indications are that all cream was eventually processed. Several cooperative churn operators indicated domestic and international butter demand is very good, thus churning and inventory buildup is viewed as beneficial right now.

EAST: Prices for dry buttermilk moved lower this week as transactions based on price indices lowered the upper end of the price range. Cream supplies remain heavy with considerable volumes going to churns, keeping dry buttermilk production very active. Current production is moving through contracts and adding to inventories. Demand is very sluggish as purchases from bakeries and ice cream manufacturers remain below expectations. Numerous end users remain on the sidelines waiting for expanding inventories to pressure prices lower. Lower priced spot sales on the nonfat dry milk market, also gives the dry buttermilk market a weak undertone.

F.O.B. CENTRAL/EAST:

1.4000 - 1.5200

## DRY BUTTERMILK - WEST

Western buttermilk powder range prices narrowed with the bottom increasing and the top declining. The average of the mostly price series declined. Sales activity remains light and production is heavier than anticipated. A number of sellers continue to aggressively market powder to attempt to reduce inventory holdings with limited success. Many contacts report that they still have not been able to get back to a balanced position from the buildup over the holiday period. Condensed sales are seasonally slow. The market undertone remains weak.

F.O.B. WEST:

1.4100 - 1.4800

MOSTLY: 1.4300 - 1.4775

## DRY WHOLE MILK - NATIONAL

Dry whole milk prices stepped lower this week as buyers factor in recent adjustments in nonfat and butterfat solids market values and inventories. Spot loads are intermittently available from a few producers, and supply is readily available to satisfy near term demand. Cooperatives Working Together announced export assistance for about 44,000 pounds of whole milk powder. Delivery is scheduled between February and June of this year.

F.O.B. PRODUCING PLANT:

1.6500 - 1.8000

## CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
January 25	\$1.5305	12,892,211	0
January 18	\$1.5460	9,442,188	0

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Total sales (pounds) include sales to CCC. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.



**WHEY, WPC 34%, LACTOSE & CASEIN**

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

**DRY WHEY - CENTRAL**

Conditions in the Central dry whey market remain lethargic, and prices are unchanged to slightly lower on the top of the range and bottom of the mostly. With readily available spot loads from some manufacturers and resale load offers from brokers and traders, market participants describe the market as flat. With slow decreases in the market signaling the bottom of the market has yet to be reached, buyers are generally satisfying only near term needs. Dry whey production in the Central region is steady to higher at most locations. A few cheese plant operators have been able to moderate cheese/dry whey production on the basis of variable week to week cheese orders by selling spot milk loads. Other plants are simply keeping up with farm milk intakes, and actively making cheese and dry whey. ANIMAL FEED DRY WHEY prices are unchanged to lower on the top of the range as some prices adjust to decreasing indices. Interest is steady at reduced rates compared to last year into some calf feeding operations. Blended feed demand is steady overall, but some manufacturers indicate some end users are shifting among various suppliers and changing the need for feed inputs at plants that are either gaining or losing customers.

F.O.B. CENTRAL: .5500 - .6900 MOSTLY: .5950 - .6450  
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .4400 - .6275

**DRY WHEY - NORTHEAST**

Dry whey prices moved marginally lower this week as sales based on various price indices decreased the upper end of the range. Most dry whey inventories are expanding as cheese and dry whey production in the Northeast remains on a 6-7 day production schedule. As a way of balancing inventories, some manufacturers' have periodically provided significant discounts for multiple load purchases. Most of the multiple load purchases are destined for export and thus the relative wide range in prices is reflective of the price differential between the domestic and export markets. Domestic demand remains sluggish with numerous potential buyers waiting out the market anticipating supplies will pressure prices lower. Resale activity provides another indication of the weak undertone in the market with limited sales in the mid \$0.50's.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .5400 - .6950

**DRY WHEY - WEST**

Western dry whey prices are mostly steady to lower. The average prices for both the range and mostly series are lower this week. Contract indices have fluctuated higher and lower over the past few weeks. Spot market sales have remained mostly steady to weak over the same time period. The overall market tone is described as weak. Cheese production in the West is mostly steady although some areas are experiencing lower milk intakes. Nevertheless, available milk continues to be routed to cheese plants. This is contributing to higher than expected volumes of whey in the region. Domestic buyers are being offered whey at the upper end of price ranges, while export prices are mostly at the lower end. Buyers are cautious to purchase for inventory as futures prices into March and beyond are currently at a discount to offered prices. Whey stocks are reported to be manageable, but manufacturers and brokers are becoming more willing to reduce inventories.

NONHYGROSCOPIC: .5200 - .6650 MOSTLY: .5400 - .6325

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

No changes are noted on the whey protein concentrate 34% mostly price series this week. Spot load availability from some manufacturers is steady, with pricing ranging from market minus to market plus depending on inventories and WPC 34% quality characteristics. Sales into many contract accounts are steady, but some exceptions to that are reportedly due to end users' formula changes or decreases in end product demand. WPC 34% production is steady, with some increases in condensed WPC 34% sales diverting some portion of the whey stream away from drying and inventory.

F.O.B. EXTRA GRADE 34% PROTEIN: 1.1500 - 1.3200 MOSTLY: 1.2450 - 1.2700

**LACTOSE - CENTRAL AND WEST**

Another decrease in pricing on the lactose range series registered this week, with F.O.B. sales clearing at \$.047. This price level last appeared at the bottom of the Central and West range series in September of 2011, when manufacturers' inventories totaled 68.7 million pounds. NASS's latest *Dairy Products* report shows manufacturers' November 2012 inventories at 87.4 million pounds. The market tone is described as weaker by several market participants. Some manufacturers indicate prices on some mesh sizes of lactose are caught between lower interest and higher production. Demand from Oceania for lactose for standardization use is markedly lower. Also, stocks in China are reported as adequate for near term use. Some resellers who sell regularly into China report their buyers are now looking for assurances that the dairy products they are purchasing do not contain dicyandiamide (DCD), the fertilizer component found in some New Zealand milk powders. Cheese and whey stream end product manufacturing is very strong in the Central and West, due to strong farm milk intakes.

Including spot sales and up to 3 month contracts.

F.O.B. EDIBLE, NON PHARMACEUTICAL .4700 - .9200 MOSTLY: .6500 - .8000

**CASEIN - NATIONAL**

Prices are unchanged for both casein types. The market tone is steady to firm. Availability of casein and caseinates is generally tight and close to contracted needs. There are limited spot offerings and demand. U.S. supplies are adequate for nearby trade needs. The stronger Euro is making EU sourced product more expensive. There are concerns about future supplies with major casein producing countries in Europe having a milk output dip.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE F.O.B., U.S. WAREHOUSE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 3.9000 - 4.5000  
ACID: 4.5000 - 4.7500

**EVAPORATED MILK - NATIONAL**

The Kansas City Commodity Office issued Bid Invitation Number 2000001643 on January 31, 2013 for evaporated milk packaged in 24/12 fluid ounce cans totaling 634,043 pounds. Deliveries are due between April and June 2013. Offers are due February 12, 2013. Award notifications are scheduled to be announced on February 14, 2013, with public release currently scheduled for February 15, 2013. More information on offer specifications may be obtained at: <http://www.fsa.usda.gov/FSA/>

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS EFFECTIVE NOVEMBER 1, 2009

BUTTER Bulk \$1.05 per pound; CHEESE 40# Blocks \$1.13 per pound; 500# Barrels \$1.10; NONFAT DRY MILK \$.80 per pound

The CCC Purchase table will no longer be shown unless purchases occur. Last CCC purchase: October 2009.

U.S. Dairy Cow Slaughter (000 head) under Federal Inspection & Comparable Week 2012

WEEK ENDING	WEEKLY DAIRY COWS	2013 CUMULATIVE DAIRY COWS	2012 WEEKLY DAIRY COWS	2012 CUMULATIVE DAIRY COWS
01/12/2013	72.5	123.6	62.6	120.8

WEBSITE: [http://www.ams.usda.gov/mnreports/sj\\_ls714.txt](http://www.ams.usda.gov/mnreports/sj_ls714.txt)

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

CLASS III MILK PRICES (3.5% BF)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2008	19.32	17.03	18.00	16.76	18.18	20.25	18.24	17.32	16.28	17.06	15.51	15.28
2009	10.78	9.31	10.44	10.78	9.84	9.97	9.97	11.20	12.11	12.82	14.08	14.98
2010	14.50	14.28	12.78	12.92	13.38	13.62	13.74	15.18	16.26	16.94	15.44	13.83
2011	13.48	17.00	19.40	16.87	16.52	19.11	21.39	21.67	19.07	18.03	19.07	18.77
2012	17.05	16.06	15.72	15.72	15.23	15.63	16.68	17.73	19.00	21.02	20.83	18.66

CLASS IV MILK PRICES (3.5% BF)

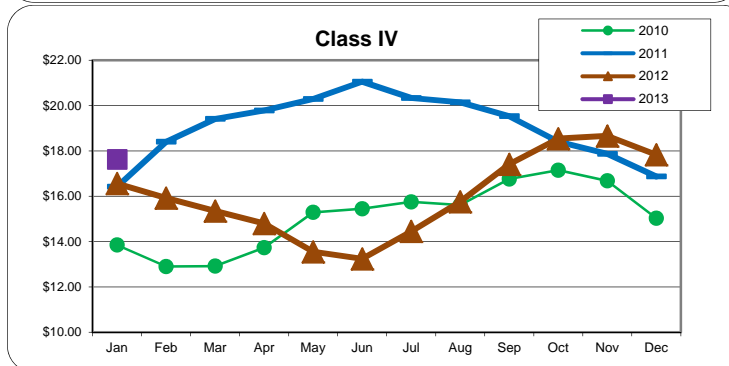
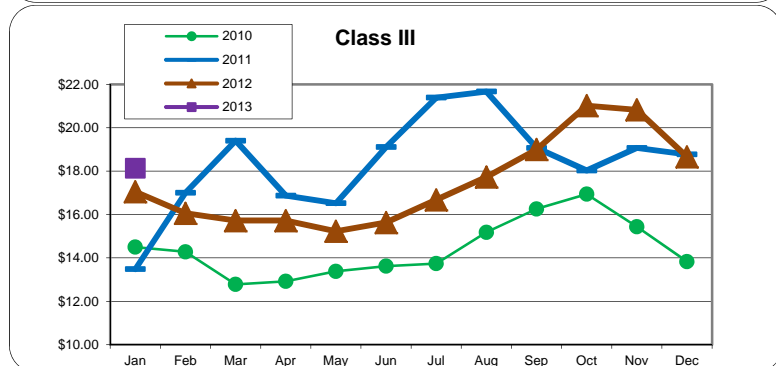
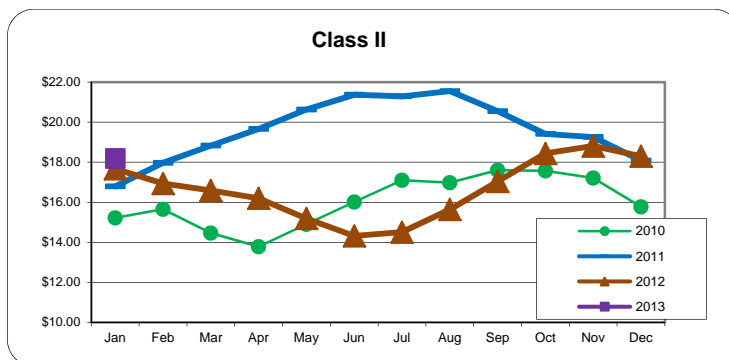
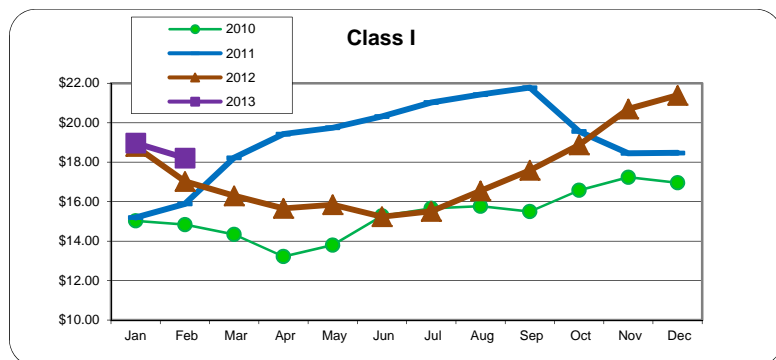
YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2008	16.29	14.67	14.17	14.56	15.26	15.92	16.60	16.64	15.45	13.62	12.25	10.35
2009	9.59	9.45	9.64	9.82	10.14	10.22	10.15	10.38	11.15	11.86	13.25	15.01
2010	13.85	12.90	12.92	13.73	15.29	15.45	15.75	15.61	16.76	17.15	16.68	15.03
2011	16.42	18.40	19.41	19.78	20.29	21.05	20.33	20.14	19.53	18.41	17.87	16.87
2012	16.56	15.92	15.35	14.80	13.55	13.24	14.45	15.76	17.41	18.54	18.66	17.83

FEDERAL MILK ORDER CLASS PRICES FOR 2013 (3.5%)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	18.97	18.21										
II	18.19											
III	18.14											
IV	17.63											

1/ Specific order differentials to be added to this base price can be found by going to:

[www.ams.usda.gov/DairyMarketingStatistics](http://www.ams.usda.gov/DairyMarketingStatistics); then select "Prices"; and then select "Principal Pricing Points."



## INTERNATIONAL DAIRY MARKET NEWS - EUROPE

Information gathered January 21 - February 1, 2013

Prices are U.S. \$/MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

**WESTERN OVERVIEW:** Milk production trends in Western Europe are steady with recent weeks with limited events occurring that are affecting output to any great extent. Aggregate seasonal output for the EU countries is below year ago levels. Weather conditions in Germany have been variable, but only limited effects on milk production and collections. Output is generally stable to slightly lower. Ireland and England remain behind year ago levels. Cost of production factors continue to be a limiting influence for milk growth. Milk prices have trended higher. Euro valuation increases are increasing pricing in the world market and limiting sales. World buyers are finding pricing of EU sourced dairy products more expensive and more challenging to work into budgets. While butter and WMP prices remain at a competitive disadvantage to export, SMP and whey are still moving. Current returns are favorable for cheese/whey derivatives production. Cheese demand is good.

**BUTTER/BUTTEROIL:** European butter pricing and market tone are fully steady. Relatively high pricing compared to other world markets continues to make EU sourced butter too expensive to work into new export arrangements. Clearances continue along schedule to existing accounts. Local market needs are steady and taking planned volumes of butter. The fat market is at light to moderate levels and in some instances cream prices are trending lower. Current butter production is mostly steady with recent trends. PSA butter stocks at mid-January were around 19,400 MT and continue to be drawn downwards. There are not implications of the extra butter entering the market. Butteroil prices are unchanged in a light test. Export interest is very limited at the current pricing levels. Production remains light.

82% BUTTERFAT:	4,400 - 4,675
99% BUTTERFAT:	5,000 - 5,500

**SKIM MILK POWDER (SMP):** European skim milk powder pricing and market tone remain slightly firm. The world market is a competitive place for SMP supplying countries. The higher Euro value continues to work against EU traders. Trading interest is mainly being filled for the first quarter and moving into later periods. Fill-in needs are being negotiated. Some buyers are short and active in the market for smaller lots. No announcements have been made on an expected export tender. Buying from feed accounts is slow to resume and price sensitive. Production levels are steady with recent weeks. Stocks are available to service current spot interest and future orders on the books.

1.25% BUTTERFAT:	3,500 - 3,700
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**SWEET WHEY POWDER:** Dry whey prices are trending lower and under pressure from competition with other supplying countries. Additional offerings from the U.S. at lower pricing levels are dictating some of the direction and scope of the EU market trend. The increasing Euro value continues to work against returns. Export demand is uneven as buyers looking at alternative sources and pricing scenarios. Internal demand from food and feed accounts has also slowed. Whey production trends are mostly steady. Active cheese output is creating a whey stream for further processing. Dry whey stocks are tending to be more available over recent weeks.

NONHYGROSCOPIC:	1,275 - 1,475
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**WHOLE MILK POWDER (WMP):** Whole milk powder pricing in Europe is slightly higher. Returns continue to be offset by higher Euro values. High values compared to other world suppliers are limiting additional export business. Traders/handlers are sourcing WMP out of Oceania. Local demand is steady and pulling expected volumes. Production and offering levels are often light and adjusted around sales. WMP holdings remain light and positioned to service existing business.

26% BUTTERFAT:	3,950 - 4,200
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**EASTERN OVERVIEW:** Milk growth has slowed in Poland, but remains above year ago marks. Dairy product output is steady to lower across countries. Traders and handlers are looking for value offerings and reaching to areas with product availability.

**Exchange rates for selected foreign currencies**  
**January 28, 2013**

.2012 Argentina Peso	.0110 Japan Yen
1.0417 Australian Dollar	.0783 Mexican Peso
.9939 Canadian Dollar	.8340 New Zealand Dollar
1.3455 Euro	.3204 Polish Zloty
.0185 India Rupee	

To compare the value of 1 US Dollar to Mexican Pesos: (1/.0783) = 12.7714 Mexican Pesos. Source: "Wall Street Journal"

## INTERNATIONAL DAIRY MARKET NEWS - OCEANIA

Information gathered January 21 - February 1, 2013

Prices are U.S. \$/MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

**OCEANIA OVERVIEW: NEW ZEALAND** milk production for the month of December was about 8% higher than a year earlier, with the season to date trend at 7% higher. The fantastic run of weather for NZ continues and output continues in line with forecasts. The expectations are for contraction at the end of shoulder season months and for the total season projections to be around 3-4% higher than the previous season. Processing plants are running on planned schedules and making products for orders on the books. **AUSTRALIAN** milk output in December was tracking 2% lower, a level surprising to the industry. Additional adjustments are expected to pull the seasonal growth rate closer to 1% above the prior season. Recent weather conditions have been hot in some areas, yet rainy with floods in others. The direct impact on the milking herd has been seemingly minimal to the current point, yet the overall effects are responsible for the decline in the milk flow. Some flooding in Queensland has disrupted milk collections into the processing plants. Dairy product prices in the region are mostly steady with some slight adjustments occurring. Supplies are generally in good balance to service current ordering and sales on the books. Butter orders are moving well. Skim milk powder pricing is slightly lower. Competitive pricing from other world suppliers is noted. Whole milk powder market trends are slightly firmer with demand in play from Asia. Cheese market pricing and trends are steady.

**BUTTER:** Oceania butter market prices are unchanged to higher on the top end of the range. Traders and handlers are calling the market tone mostly steady with limited new market influences developing at the present time. Fat sales portfolios are being filled on schedule and shipments are occurring on a timely basis. Seasonal milk production trends are moving lower and impacting the butter production schedules in the region. Some plants are receiving more milkfat with milk output above year ago levels, and with the product mix favoring SMP/butter production. Anhydrous milk fat production and sales are tending to be on plan. AMF pricing trends have been flat and maintaining values below butter, despite the variations in fat levels. Butter stocks are at light to moderate levels and indicated to be well positioned.

82% BUTTERFAT: 3,100 - 3,700

**SKIM MILK POWDER (SMP):** Oceania skim milk powder pricing is steady to slightly lower on the top end of the reported range. Overall, market conditions are steady with recent reporting periods. Pricing pressure with other exporting countries is more evident. U.S. NDM prices are trending lower and garnering buyer interest. The extent of current market tenders is being assessed as what volumes and pricing levels can be secured. The impact of strong local currency remains an issue. Production schedules are running well with room for extra milk into SMP and fat plants. There are only limited issues noted due to wet and hot condition in various locales in the region. The available supplies are in light to fair shape to service current and future orders on the books. The next gDT auction is next week, on February 5.

1.25% BUTTERFAT: 3,250 - 3,650

**CHEDDAR CHEESE:** Oceania cheddar cheese prices are unchanged. The market tone and trend are fully steady. Production plans are holding to schedule and the milk flow is available for processing. Export interest is good to Asia at consistent volumes. World competition for cheese business is becoming more pronounced. Additional offerings, currency valuations, and assistance programs, are some the factors seen in the international arena. Good demand for whey products is also a factor to make cheese. Australian domestic cheese buying interest remains good as super-market pricing schemes continue to cultivate active consumer buying. Cheese storage holdings are at planned levels.

39% MAXIMUM MOISTURE: 3,800 - 4,200

**WHOLE MILK POWDER (WMP):** The pricing range is slightly higher on the top end for Oceania whole milk powder. The market undertone continues to be steady to slightly firm. Buyer demand is fair to good for currently offered product for nearby and future shipments. Contract books are in good order. Production levels are at plan. Output trends are moving lower and matching the available, seasonal shifting milk supply. Export tenders for SMP and WMP are being made. There is fair to good demand from Asia, some well-received news. Stocks of WMP are in good shape to match market interest.

26% BUTTERFAT: 3,200 - 3,550



## CHICAGO MERCANTILE EXCHANGE FUTURES

Selected settling prices, (open interest), and volume <sup>1/</sup>

Month	01/17	01/18	01/21	01/22	01/23	01/24	01/25	01/28	01/29	01/30
CME - CLASS III MILK FUTURES (Pit-Traded)										
JAN 13	18.10 (3118) 0	18.11 (3103) 0	NO TRADING	18.10 (3104) 0	18.12 (3110) 0	18.12 (3093) 0	18.12 (3093) 0	18.12 (3087) 0	18.10 (3088) 0	18.14 (2801) 0
FEB 13	17.50 (3247) 4	17.28 (3284) 33		17.27 (3334) 0	17.21 (3318) 5	17.12 (3311) 0	17.02 (3311) 3	17.02 (3316) 0	16.94 (3377) 0	17.07 (3349) 10
MAR 13	17.45 (2756) 4	17.12 (2889) 41		17.00 (2938) 0	16.92 (2989) 4	16.86 (3104) 12	16.95 (3127) 72	16.87 (3186) 2	16.64 (3289) 0	16.71 (3332) 10
APR 13	17.88 (1813) 4	17.60 (1917) 53		17.53 (1979) 5	17.50 (2073) 2	17.38 (2075) 12	17.30 (2173) 72	17.20 (2289) 2	16.89 (2427) 0	16.95 (2443) 0
MAY 13	18.31 (1612) 4	18.13 (1673) 51		18.14 (1724) 7	18.09 (1763) 3	17.95 (1769) 12	17.85 (1828) 71	17.72 (1867) 3	17.44 (1973) 4	17.45 (1990) 0
JUN 13	18.57 (1408) 4	18.47 (1456) 51		18.52 (1476) 7	18.50 (1507) 4	18.40 (1567) 11	18.37 (1630) 72	18.23 (1647) 2	17.93 (1681) 4	17.96 (1679) 0
JUL 13	18.67(1087) 4	18.61 (1090) 3		18.68 (1095) 0	18.71 (1104) 4	18.63 (1147) 0	18.54 (1193) 0	18.40 (1205) 0	18.20 (1211) 5	18.21 (1218) 0
AUG 13	18.73 (1046) 4	18.70 (1044) 3		18.74 (1064) 0	18.77 (1079) 1	18.70 (1116) 0	18.56 (1173) 0	18.50 (1194) 0	18.39 (1249) 5	18.44 (1253) 0
SEP 13	18.60 (893) 4	18.58 (894) 3		18.60 (903) 0	18.65 (908) 1	18.61 (941) 0	18.49 (966) 0	18.44 (971) 3	18.47 (1015) 5	18.52 (1025) 0
OCT 13	18.46 (772) 4	18.39 (773) 3		18.36 (787) 0	18.45 (806) 1	18.37 (824) 0	18.32 (859) 0	18.33 (866) 3	18.36 (920) 5	18.40 (927) 0
CME - CLASS IV MILK FUTURES (Pit-Traded)										
JAN 13	17.50 (155) 0	17.50 (155) 0	NO TRADING	17.50 (155) 0	17.50 (155) 0	17.50 (155) 0	17.50 (155) 0	17.50 (155) 0	17.50 (155) 0	17.63 (150) 0
FEB 13	17.72 (180) 0	17.72 (180) 0		17.72 (180) 0	17.65 (180) 0	17.65 (180) 0	17.65 (180) 0	17.65 (180) 0	17.60 (180) 0	17.60 (180) 0
MAR 13	17.90 (188) 0	17.90 (188) 0		18.00 (188) 0	17.99 (188) 0	17.99 (188) 0	17.97 (188) 0	17.97 (188) 0	17.89 (188) 0	17.93 (193) 0
CME – CASH SETTLED BUTTER FUTURES (Electronic-Traded)										
JAN 13	150.35 (391) 0	150.35 (391) 0	NO TRADING	150.38 (391) 0	150.38 (383) 0	150.38 (383) 0	150.38 (383) 2	150.38 (383) 0	150.38 (383) 0	150.66 (351) 0
FEB 13	157.00 (407) 0	158.00 (408) 1		158.00 (418) 30	155.00 (418) 10	155.00 (414) 8	154.00 (428) 19	153.00 (428) 0	152.00 (428) 1	152.00 (429) 1
MAR 13	160.25 (308) 4	162.00 (309) 1		164.00 (311) 13	161.75 (323) 27	161.50 (338) 19	161.50 (347) 10	161.50 (347) 0	158.00 (343) 6	160.03 (346) 10
CME – NONFAT DRY MILK FUTURES (Pit-Traded)										
JAN 13	154.50 (78) 0	154.50 (78) 0	NO TRADING	154.50 (78) 0	154.50 (78) 0	154.50 (78) 0	154.50 (78) 0	154.50 (78) 0	154.50 (78) 0	156.01 (78) 0
FEB 13	154.50 (85) 0	154.50 (84) 0		154.25 (84) 0	154.13 (84) 0	154.50 (86) 0	154.50 (86) 0	154.75 (86) 0	154.75 (86) 0	154.75 (86) 0
MAR 13	154.50 (113) 0	154.25 (123) 0		154.50 (131) 0	154.00 (131) 0	154.00 (138) 0	154.90 (144) 0	155.00 (144) 0	155.00 (144) 0	155.00 (149) 0b
CME – WHEY (Electronic-Traded)										
JAN 13	64.25 (205) 12	64.25 (205) 0	NO TRADING	64.25 (199) 6	64.25 (199) 0	64.25 (197) 5	64.25 (196) 5	64.25 (195) 4	64.25 (195) 0	65.03 (189) 0
FEB 13	58.50 (234) 10	58.95 (231) 6		58.50 (231) 2	59.00 (227) 11	59.00 (218) 15	59.00 (218) 2	59.48 (219) 3	59.48 (219) 0	59.98 (219) 48
MAR 13	54.50 (282) 12	54.48 (282) 7		54.00 (286) 6	54.00 (281) 14	55.00 (285) 5	55.58 (286) 1	55.35 (288) 3	55.35 (288) 0	55.35 (291) 16
CME – CHEESE CSC (Electronic-Traded)										
JAN 13	1.76 (932) 6	1.76 (932) 2	NO TRADING	1.75 (933) 1	1.76 (933) 4	1.75 (932) 2	1.75 (932) 0	1.75 (932) 0	1.75 (932) 0	1.75 (1176) 0
FEB 13	1.73 (764) 0	1.70 (765) 7		1.69 (788) 23	1.69 (806) 33	1.67 (808) 25	1.67 (823) 26	1.67 (833) 14	1.66 (834) 1	1.67 (834) 6
MAR 13	1.75 (811) 5	1.71 (840) 57		1.69 (864) 32	1.69 (887) 35	1.67 (912) 29	1.68 (913) 10	1.67 (948) 50	1.65 (982) 39	1.66 (999) 20
APR 13	1.79 (362) 15	1.77 (372) 15		1.75 (388) 18	1.75 (439) 70	1.74 (472) 46	1.74 (509) 42	1.72 (561) 79	1.69 (633) 93	1.70 (645) 13
MAY 13	1.83 (269) 4	1.81 (279) 10		1.81 (287) 16	1.81 (296) 12	1.80 (317) 24	1.79 (325) 14	1.77 (334) 13	1.74 (387) 80	1.75 (393) 16
JUN 13	1.84 (218) 13	1.84 (219) 4		1.84 (219) 0	1.84 (226) 7	1.82 (258) 43	1.82 (278) 22	1.81 (305) 30	1.78 (326) 37	1.79 (332) 6

<sup>1/</sup> At the CME open interest for milk -- 200,000 pounds per contract. For more detailed information, you may call our automated voice system at 608-278-4142.)

## MONTHLY SUMMARY AND AVERAGES FOR JANUARY 2013 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	::REPORT NUMBER 1	::REPORT NUMBER 2	::REPORT NUMBER 3	::REPORT NUMBER 4	::REPORT NUMBER 5	::	2013	:	2012
	::-----	::-----	::-----	::-----	::-----	::	Average	:	Average
	:: JAN 01 - 04	:: JAN 07 - 11	:: JAN 14 - 18	:: JAN 21 - 25	:: JAN 28 - 31	::	or Total	:	or Total
CHEESE									
WISCONSIN (WSP, Delivered, LTL)									
-- Process American 5# Loaf	:: 1.8725 - 2.5775	:: 1.9125 - 2.6175	:: 1.8750 - 2.5800	:: 1.8500 - 2.5550	:: 1.7775 - 2.4825	::	2.2127	:	2.1371
-- Brick And/Or Muenster 5#	:: 2.1275 - 2.6875	:: 2.1475 - 2.7075	:: 2.1150 - 2.6750	:: 2.0900 - 2.6500	:: 2.0400 - 2.6000	::	2.3855	:	2.2571
-- Cheddar 40# Block	:: 2.1275 - 3.0000	:: 2.1475 - 3.0200	:: 2.1150 - 2.9875	:: 2.0900 - 2.9625	:: 2.0400 - 2.9125	::	2.5417	:	2.4696
-- Monterey Jack 10#	:: 2.0975 - 3.0000	:: 2.1175 - 3.0200	:: 2.0850 - 2.9875	:: 2.0600 - 2.9625	:: 2.0100 - 2.9125	::	2.5267	:	2.4546
-- Blue 5#	:: 2.3925 - 3.3775	:: 2.4125 - 3.3975	:: 2.3800 - 3.3650	:: 2.3550 - 3.3400	:: 2.3050 - 3.2900	::	2.8630	:	2.7346
-- Mozzarella 5 - 6#	:: 1.9725 - 3.1000	:: 1.9925 - 3.1200	:: 1.9600 - 3.0875	:: 1.9350 - 3.0625	:: 1.8850 - 3.0125	::	2.5142	:	2.4421
-- Grade A Swiss Cuts 6 - 9#	:: 3.3800 - 3.4975	:: 3.3575 - 3.4750	:: 3.3575 - 3.4750	:: 3.3575 - 3.4750	:: 3.3575 - 3.4750	::	3.4195	:	3.1888
NORTHEAST (WSP, Delivered, LTL)									
-- Cheddar 40# Block	:: 2.1400 - 2.4250	:: 2.1600 - 2.4450	:: 2.1275 - 2.4125	:: 2.1025 - 2.3875	:: 2.0525 - 2.3375	::	2.2605	:	2.0498
-- Process 5# Sliced	:: 1.9000 - 2.0200	:: 1.9400 - 2.4200	:: 1.9025 - 2.3825	:: 1.8775 - 2.3575	:: 1.8050 - 2.2850	::	2.1020	:	1.7608
-- Muenster	:: 2.1600 - 2.5200	:: 2.1800 - 2.5400	:: 2.1475 - 2.5075	:: 2.1225 - 2.4825	:: 2.0725 - 2.4325	::	2.3180	:	2.0971
-- Grade A Swiss Cuts 10 - 14#	:: 3.8600 - 4.1825	:: 3.8375 - 4.1600	:: 3.8375 - 4.1600	:: 3.8375 - 4.1600	:: 3.8375 - 4.1600	::	4.0020	:	3.7988
WEST COAST (WSP, Delivered, LTL)									
-- Process 5# Loaf	:: 1.8075 - 2.0650	:: 1.8475 - 2.1050	:: 1.8100 - 2.0675	:: 1.7850 - 2.0425	:: 1.7125 - 1.9700	::	1.9240	:	1.8104
-- Cheddar 40# Block	:: 1.8600 - 2.2125	:: 1.8800 - 2.2325	:: 1.8475 - 2.2000	:: 1.8225 - 2.1750	:: 1.7725 - 2.1250	::	2.0142	:	1.8699
-- Cheddar 10# Cuts	:: 2.0400 - 2.2600	:: 2.0600 - 2.2800	:: 2.0275 - 2.2475	:: 2.0025 - 2.2225	:: 1.9525 - 2.1725	::	2.1280	:	1.9837
-- Monterey Jack 10#	:: 2.0500 - 2.2100	:: 2.0700 - 2.2300	:: 2.0375 - 2.1975	:: 2.0125 - 2.1725	:: 1.9625 - 2.1225	::	2.1080	:	1.9637
-- Grade A Swiss Cuts 6 - 9#	:: 3.4375 - 3.8675	:: 3.4150 - 3.8450	:: 3.4150 - 3.8450	:: 3.4150 - 3.8450	:: 3.4150 - 3.8450	::	3.6332	:	3.4300
FLUID PRODUCTS									
SPOT PRICES OF CLASS II CREAM (\$ per lb. butterfat)									
-- Northeast - f.o.b	:: 1.3478 - 1.6473	:: 1.5717 - 1.7364	:: 1.5304 - 1.7490	:: 1.5034 - 1.7564	:: 1.5201 - 1.7308	::	1.6182	:	1.8848
-- Upper Midwest - f.o.b	:: 1.6023 - 1.6922	:: 1.6915 - 1.7663	:: 1.6470 - 1.7199	:: 1.7266 - 1.8011	:: 1.7007 - 1.8211	::	1.7192	:	1.8579
PRICES OF CONDENSED SKIM - NORTHEAST (\$ per lb. wet solids) - f.o.b.									
-- Class II	:: 1.54 - 1.61	:: 1.54 - 1.61	:: 1.54 - 1.61	:: 1.56 - 1.63	:: 1.56 - 1.63	::	1.5826	:	1.4950
-- Class III	:: 1.68 - 1.75	:: 1.55 - 1.63	:: 1.55 - 1.63	:: 1.55 - 1.63	:: 1.55 - 1.63	::	1.6079	:	1.6200

## MONTHLY SUMMARY AND AVERAGES FOR JANUARY 2013 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	::REPORT NUMBER 1	::REPORT NUMBER 2	::REPORT NUMBER 3	::REPORT NUMBER 4	::REPORT NUMBER 5	:: 2013	: 2012
	::-----	::-----	::-----	::-----	::-----	:: Average	: Average
	:: JAN 01 - 04	:: JAN 07 - 11	:: JAN 14 - 18	:: JAN 21 - 25	:: JAN 28 - 31	:: or Total	: or Total
DRY PRODUCTS							
NONFAT DRY MILK							
-- Central And East (f.o.b.)							
-- Low/Medium Heat	:: 1.5200 - 1.6475	:: 1.5000 - 1.6200	:: 1.5000 - 1.6650	:: 1.4800 - 1.6375	:: 1.5000 - 1.6600	:: 1.5723	: 1.4344
-- Mostly	:: 1.5300 - 1.6400	:: 1.5200 - 1.6100	:: 1.5200 - 1.6100	:: 1.5100 - 1.6200	:: 1.5100 - 1.6200	:: 1.5679	: 1.4302
-- High Heat	:: 1.6400 - 1.6975	:: 1.6300 - 1.6575	:: 1.6300 - 1.7150	:: 1.6300 - 1.6875	:: 1.6000 - 1.7100	:: 1.6592	: 1.5243
-- West (f.o.b.)							
-- Low/Medium Heat	:: 1.5100 - 1.6000	:: 1.5100 - 1.5800	:: 1.5000 - 1.6150	:: 1.5000 - 1.5900	:: 1.5000 - 1.6100	:: 1.5513	: 1.3670
-- Mostly	:: 1.5200 - 1.5550	:: 1.5200 - 1.5550	:: 1.5200 - 1.5700	:: 1.5200 - 1.5650	:: 1.5100 - 1.5650	:: 1.5402	: 1.3840
-- High Heat	:: 1.5400 - 1.6600	:: 1.5450 - 1.6550	:: 1.5800 - 1.6750	:: 1.6000 - 1.6775	:: 1.5900 - 1.6875	:: 1.6213	: 1.4616
WHEY POWDER (Nonhygroscopic)							
-- Central (f.o.b.)	:: 0.6300 - 0.6950	:: 0.5500 - 0.7100	:: 0.5500 - 0.6950	:: 0.5500 - 0.7025	:: 0.5500 - 0.6900	:: 0.6302	: 0.7160
-- Mostly	:: 0.6400 - 0.6800	:: 0.6000 - 0.6600	:: 0.6000 - 0.6500	:: 0.6000 - 0.6450	:: 0.5950 - 0.6450	:: 0.6298	: 0.7048
-- West (f.o.b.)	:: 0.5400 - 0.6850	:: 0.5400 - 0.6775	:: 0.5100 - 0.6675	:: 0.5200 - 0.6750	:: 0.5200 - 0.6650	:: 0.5993	: 0.6954
-- Mostly	:: 0.6000 - 0.6600	:: 0.6000 - 0.6500	:: 0.5600 - 0.6450	:: 0.5400 - 0.6400	:: 0.5400 - 0.6325	:: 0.6063	: 0.7039
-- Northeast (f.o.b.)	:: 0.6800 - 0.7175	:: 0.6200 - 0.7275	:: 0.5200 - 0.7025	:: 0.5400 - 0.7050	:: 0.5400 - 0.6950	:: 0.6420	: 0.7318
WHEY PROTEIN CONCENTRATE							
-- Central And West (f.o.b.)							
-- Extra Grade 34% Protein	:: 1.2300 - 1.3300	:: 1.2300 - 1.3300	:: 1.2300 - 1.3300	:: 1.1500 - 1.3300	:: 1.1500 - 1.3200	:: 1.2638	: 1.5915
-- Mostly	:: 1.2450 - 1.2800	:: 1.2450 - 1.2800	:: 1.2450 - 1.2800	:: 1.2450 - 1.2700	:: 1.2450 - 1.2700	:: 1.2606	: 1.5239
ANIMAL FEED - WHEY							
-- Central (f.o.b.)							
-- Milk Replacer	:: 0.4750 - 0.6400	:: 0.4800 - 0.6425	:: 0.4400 - 0.6325	:: 0.4400 - 0.6325	:: 0.4400 - 0.6275	:: 0.5448	: 0.5902
BUTTERMILK (Min. 30% protein)							
-- Central And East (f.o.b.)	:: 1.4000 - 1.6600	:: 1.5300 - 1.6500	:: 1.4000 - 1.6300	:: 1.4000 - 1.5550	:: 1.4000 - 1.5200	:: 1.5174	: 1.3338
-- West (f.o.b.)	:: 1.4100 - 1.5300	:: 1.4100 - 1.5300	:: 1.4000 - 1.5100	:: 1.4000 - 1.5000	:: 1.4100 - 1.4800	:: 1.4579	: 1.3129
-- Mostly	:: 1.4500 - 1.5100	:: 1.4500 - 1.5100	:: 1.4300 - 1.5000	:: 1.4300 - 1.4850	:: 1.4300 - 1.4775	:: 1.4671	: 1.3345
WHOLE MILK POWDER							
-- National (f.o.b.)	:: 1.7000 - 1.8800	:: 1.7500 - 1.8500	:: 1.6900 - 1.8500	:: 1.6900 - 1.8500	:: 1.6500 - 1.8000	:: 1.7714	: 1.7650
LACTOSE							
-- Central And West (f.o.b.)	:: 0.6800 - 0.8200	:: 0.6500 - 0.9200	:: 0.5900 - 0.9200	:: 0.5000 - 0.9200	:: 0.4700 - 0.9200	:: 0.7414	: 0.8736
-- Mostly	:: 0.6900 - 0.7700	:: 0.6800 - 0.8000	:: 0.6600 - 0.8000	:: 0.6600 - 0.8000	:: 0.6500 - 0.8000	:: 0.7314	: 0.8552
CASEIN - Edible - National (f.o.b.)							
-- Nonrestricted - Rennet	:: 3.8000 - 4.4000	:: 3.9000 - 4.4000	:: 3.9000 - 4.4000	:: 3.9000 - 4.5000	:: 3.9000 - 4.5000	:: 4.1619	: 4.7500
-- Nonrestricted - Acid	:: 4.5000 - 4.7500	:: 4.5000 - 4.7500	:: 4.5000 - 4.7500	:: 4.5000 - 4.7500	:: 4.5000 - 4.7500	:: 4.6250	: 5.0188

1/ Prices for all products are issued once a week and represent a value for the entire week. Monthly averages are based on weekly prices and are time-weighted according to the number of workdays in the month - Saturdays, Sundays and National Holidays excluded. No monthly average is computed if one or more weekly prices are missing.

## CME GROUP AVERAGES FOR JANUARY 2013

COMMODITY	::REPORT NUMBER 1	::REPORT NUMBER 2	::REPORT NUMBER 3	::REPORT NUMBER 4	::REPORT NUMBER 5	:: 2013 *	: 2012
	::-----	::-----	::-----	::-----	::-----	:: Monthly	:Monthly
	:: JAN 2 - 4	:: JAN 7 - 11	:: JAN 14 - 18	:: JAN 22 - 25	:: JAN 28 - 31	:: Average	:Average
-----							
BUTTER*							
-- GRADE AA							
--Monday	::	:: 1.4850	:: 1.4600	:: 1/	:: 1.5050	::	:
--Tuesday	:: 1/	:: 1.4500	:: 1.4875	:: 1.5050	:: 1.5050	::	:
--Wednesday	:: 1.4950	:: 1.4500	:: 1.4900	:: 1.5050	:: 1.5550	::	:
--Thursday	:: 1.4950	:: 1.4475	:: 1.5000	:: 1.5050	:: 1.5550	::	:
--Friday	:: 1.5000	:: 1.4550	:: 1.5050	:: 1.5050		:: 1.4933	: 1.5831
--Weekly Average**	:: 1.4969	:: 1.4575	:: 1.4885	:: 1.5050	:: 1.5300	::	:
CHEESE*							
-- BARRELS							
--Monday	::	:: 1.6900	:: 1.6725	:: 1/	:: 1.5700	::	:
--Tuesday	:: 1/	:: 1.6900	:: 1.6725	:: 1.6000	:: 1.5325	::	:
--Wednesday	:: 1.7300	:: 1.6900	:: 1.6650	:: 1.6000	:: 1.5300	::	:
--Thursday	:: 1.7300	:: 1.6850	:: 1.6500	:: 1.5725	:: 1.5325	::	:
--Friday	:: 1.7200	:: 1.6725	:: 1.6375	:: 1.5725		:: 1.6388	: 1.5358
--Weekly Average**	:: 1.7225	:: 1.6855	:: 1.6595	:: 1.5863	:: 1.5413	::	:
-- 40# BLOCKS							
--Monday	::	:: 1.7600	:: 1.7200	:: 1/	:: 1.6450	::	:
--Tuesday	:: 1/	:: 1.7200	:: 1.7100	:: 1.6600	:: 1.6450	::	:
--Wednesday	:: 1.7600	:: 1.7200	:: 1.7000	:: 1.6600	:: 1.6450	::	:
--Thursday	:: 1.7600	:: 1.7200	:: 1.7000	:: 1.6450	:: 1.6450	::	:
--Friday	:: 1.7600	:: 1.7200	:: 1.6875	:: 1.6450		:: 1.6965	: 1.5546
--Weekly Average**	:: 1.7600	:: 1.7280	:: 1.7035	:: 1.6525	:: 1.6450	::	:
NONFAT DRY MILK*							
-- EXTRA GRADE							
--Monday	::	:: 1.5600	:: 1.5600	:: 1/	:: 1.5600	::	:
--Tuesday	:: 1/	:: 1.5600	:: 1.5600	:: 1.5600	:: 1.5600	::	:
--Wednesday	:: 1.5600	:: 1.5600	:: 1.5600	:: 1.5600	:: 1.5600	::	:
--Thursday	:: 1.5600	:: 1.5600	:: 1.5600	:: 1.5600	:: 1.5600	::	:
--Friday	:: 1.5600	:: 1.5600	:: 1.5600	:: 1.5600		:: 1.5600	: 1.4740
--Weekly Average**	:: 1.5600	:: 1.5600	:: 1.5600	:: 1.5600	:: 1.5600	::	:
-- GRADE A							
--Monday	::	:: 1.5575	:: 1.5350	:: 1/	:: 1.5300	::	:
--Tuesday	:: 1/	:: 1.5575	:: 1.5350	:: 1.5300	:: 1.5300	::	:
--Wednesday	:: 1.5575	:: 1.5475	:: 1.5350	:: 1.5300	:: 1.5300	::	:
--Thursday	:: 1.5575	:: 1.5350	:: 1.5350	:: 1.5300	:: 1.5200	::	:
--Friday	:: 1.5575	:: 1.5350	:: 1.5300	:: 1.5300		:: 1.5383	: 1.4430
--Weekly Average**	:: 1.5575	:: 1.5465	:: 1.5340	:: 1.5300	:: 1.5275	::	:

--

\* Monthly averages are a simple average of all the closes during the month. Weekly and monthly averages are independent calculations.

\*\* Weekly averages are simple averages of the closes during the calendar week and are for information purposes. Should the week be split between two months, the weekly average will appear in the monthly report in which the Friday close is reported.

1/ CME closed on January 1 and January 21



CONSUMER PRICE INDEX (CPI-U) AND AVERAGE RETAIL PRICES FOR SELECTED PRODUCTS, U.S. CITY AVERAGE <sup>1/</sup>

Month and Year	All Food		Dairy Products		Fresh Whole Milk		Cheese		Butter		Meat, Poultry, Fish, and Eggs	
	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>	CPI <sup>2/</sup>	Pct. Chg. <sup>3/</sup>
OCT 2012	234.9	1.7	217.1	-1.1	212.5	-1.3	223.1	-1.8	196.0	-8.1	232.9	2.2
NOV 2012	234.9	1.8	218.9	0.1	217.9	2.6	223.2	-1.1	198.7	-0.9	232.3	2.1
DEC 2012	235.4	1.8	219.4	0.5	219.2	2.9	233.6	0.1	194.5	-2.6	232.3	1.5
<b>U.S. City Average Retail Prices</b>												
Month	Whole Milk <sup>4/</sup>		Butter <sup>5/</sup>		Process Cheese <sup>6/</sup>		Natural Cheese <sup>7/</sup>		Ice Cream <sup>8/</sup>			
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	Dollars											
OCT	3.524	3.622	N/A	3.663	4.093	4.360	5.635	5.702	5.128	5.209		
NOV	3.536	3.557	N/A	3.323	4.188	4.367	5.833	5.630	5.036	5.218		
DEC	3.580	3.565	N/A	3.320	4.237	4.303	5.867	5.430	5.102	5.251		

N/A = Not available. <sup>1/</sup> "CPI Detailed Report," "Consumer Prices: Energy and Food," BLS, U.S. Department of Labor. According to BLS, average prices are best used to measure the price level in a particular month. To measure price change over time, the CPI is more appropriate. <sup>2/</sup> The standard reference base period for these indexes is 1982-1984 = 100. <sup>3/</sup> Percent change over previous year. <sup>4/</sup> Per gallon. <sup>5/</sup> Per pound. Grade AA, salted, stick butter. <sup>6/</sup> Per pound, any size and type of package. <sup>7/</sup> Per pound, cheddar cheese in any size and type of package and variety (sharp, mild, smoked, etc.). <sup>8/</sup> Per 1/2 gallon prepackaged regular.

## COMMERCIAL DISAPPEARANCE: TOTAL MILK AND SELECTED DAIRY PRODUCTS – SEPTEMBER-NOVEMBER AND YEAR-TO-DATE 2011-2012 1/

Item	Sep.-Nov. 2011	Percent change <sup>2/</sup>	Sep.-Nov. 2012	Percent change <sup>2/</sup>	Jan.-Nov. 2011	Percent change <sup>2/</sup>	Jan.-Nov. 2012	Percent change <sup>2/</sup>
	Million Pounds							
<b>MILK</b>								
Production	47,346	0.9	47,951	1.3	179,125	1.4	183,464	2.1
Marketings	47,100	0.9	47,705	1.3	178,221	1.4	182,561	2.1
Beginning Commercial Stocks <sup>3/</sup>	13,001	1.8	13,034	0.3	10,927	-3.6	10,983	0.5
Imports <sup>3/</sup>	978	21.3	1,069	9.3	2,787	-1.4	3,162	13.1
Total Supply <sup>4/</sup>	61,079	1.3	61,808	1.2	191,935	1.1	196,706	2.0
Ending Commercial Stocks <sup>3/</sup>	10,567	0.5	10,915	3.3	10,567	0.5	10,915	3.3
Net Removals <sup>3/</sup>	0	0.0	0	0.0	0	-100.0	0	0.0
Commercial Disappearance <sup>4/</sup>	50,512	1.5	50,893	0.8	181,368	1.1	185,791	2.1
<b>SELECTED PRODUCTS <sup>5/</sup></b>								
Butter	527.3	15.1	470.7	-10.7	1,648.8	11.1	1,653.5	0.0
American Cheese	1,102.7	3.0	1,120.4	1.6	3,919.3	0.4	4,016.6	2.2
Other Cheese	1,762.5	4.5	1,743.6	-1.1	6,078.3	4.2	6,212.8	1.9
Nonfat Dry Milk	357.0	-5.4	274.5	-23.1	1,364.0	-4.5	1,663.0	21.6
Fluid Milk Products <sup>6/</sup>	13,672.3	-1.8	13,501.4	-1.3	49,071.6	-1.7	48,409.7	-1.7

<sup>1/</sup> Commercial disappearance includes civilian and military purchases of milk and dairy products for domestic and foreign use, but excludes farm household use and USDA donations of dairy products. Disappearance is a residual figure and therefore can be affected by any inaccuracies in estimating milk production, on-farm use, stocks, and imports.

<sup>2/</sup> From year earlier on a daily average basis. <sup>3/</sup> Milk-equivalent, milkfat basis. <sup>4/</sup> Totals may not add because of rounding. <sup>5/</sup> Commercial disappearance in product pounds. <sup>6/</sup> Sales. Estimate based on actual sales in Federal milk order marketing areas and California. These sales figures have not been adjusted for calendar composition.

Source: U.S. Department of Agriculture. Economic Research Service. Agricultural Marketing Service. *Fluid Milk Products*.

## FEDERAL MILK ORDER CLASS AND COMPONENT PRICES, JANUARY

**Component Price Information:** Under the Federal milk order pricing system, the butterfat price for January 2013 is \$1.6168 per pound. Thus, the Class II butterfat price is \$1.6238. The protein and other solids prices for January are \$3.2862 and \$0.4647 per pound, respectively. These component prices set the Class III skim milk price at \$12.93 per cwt. The January Class IV skim milk price is \$12.41, which is derived from the nonfat solids price of \$1.3784 per pound. **Product Price Averages:** The product price averages for January are: butter \$1.5066, nonfat dry milk \$1.5601, cheese \$1.7485, and dry whey \$0.6503.

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT <sup>1/2/</sup>						
FEDERAL MILK ORDER MARKETING AREAS <sup>3/</sup>	ORDER NUMBER	JANUARY 2013				FEBRUARY 2013
		CLASS I	CLASS II	CLASS III	CLASS IV	CLASS I
		DOLLARS PER 100 POUNDS				
Northeast (Boston) <sup>4/</sup>	001	22.22	18.19	18.14	17.63	21.46
Appalachian (Charlotte) <sup>5/ 6/</sup>	005	22.37	18.19	18.14	17.63	21.61
Southeast (Atlanta) <sup>6/ 7/</sup>	007	22.77	18.19	18.14	17.63	22.01
Florida (Tampa) <sup>6/ 8/</sup>	006	24.37	18.19	18.14	17.63	23.61
Mideast (Cleveland) <sup>9/</sup>	033	20.97	18.19	18.14	17.63	20.21
Upper Midwest (Chicago) <sup>10/</sup>	030	20.77	18.19	18.14	17.63	20.01
Central (Kansas City) <sup>11/</sup>	032	20.97	18.19	18.14	17.63	20.21
Southwest (Dallas) <sup>12/</sup>	126	21.97	18.19	18.14	17.63	21.21
Arizona (Phoenix)	131	21.32	18.19	18.14	17.63	20.56
Pacific Northwest (Seattle) <sup>13/</sup>	124	20.87	18.19	18.14	17.63	20.11
All-Market Average	---	21.86	18.19	18.14	17.63	21.10

<sup>1/</sup> To convert the Class I price per 100 pounds to the Class I price per gallon, divide by 11.63 - the approximate number of gallons in 100 pounds of milk.

<sup>2/</sup> Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table.

<sup>3/</sup> Names in parentheses are the major city in the principal pricing point of the market.

<sup>4/</sup> Class I prices at other cities are: New York City, minus \$0.10; Philadelphia, minus \$0.20; Baltimore, minus \$0.25; and Washington, DC, minus \$0.25.

<sup>5/</sup> Class I prices at other cities are: Knoxville, minus \$0.20 and Louisville, minus \$1.10.

<sup>6/</sup> Effective May 1, 2008, the Class I price surface in these orders were temporarily adjusted.

<sup>7/</sup> Class I prices at other cities are: New Orleans, same; Memphis, minus \$0.90; Nashville, minus \$0.90; and Springfield, MO, minus \$1.40.

<sup>8/</sup> Class I prices at other cities are: Orlando, same; Miami, plus \$0.60; and Jacksonville, minus \$0.40.

<sup>9/</sup> Class I prices at other cities are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20.

<sup>10/</sup> Class I prices at other cities are: Milwaukee, minus \$0.05; and Minneapolis, minus \$0.10.

<sup>11/</sup> Class I prices at other cities are: Des Moines, minus \$0.20; Omaha, minus \$0.15; Oklahoma City, plus \$0.60; St. Louis, same; and Denver, plus \$0.55.

<sup>12/</sup> Class I prices at other cities are: Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75.

<sup>13/</sup> Class I prices at other cities are: Portland, same; and Spokane, same.

## JANUARY AGRICULTURAL PRICES HIGHLIGHTS

The All Milk price received by farmers was \$20.00 in January, down \$0.90 from December 2012 and up \$1.00 from January 2012. Milk Cows price was \$1,370 in January, down \$90 from January 2012. Alfalfa hay price was \$217.00 in January, up \$24.00 from January 2012. Corn price was \$6.98 in January, up \$0.91 from January 2012. Soybean price was \$14.10 in January, up \$2.20 from January 2012. The milk-feed price ratio was 1.58 in January, down 0.14 from January 2012.

The index of prices received by farmers for dairy products decreased 7 points during the month of January 2013 to 153. Compared with January 2012, the index was up 8 points (5.5 percent). The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in January 2013 increased 3 points to 221. Compared with January 2012, the index was up 11 points (5.2 percent).

## SELECTED MILK PRICES, MILK COWS, AND FEED PRICES, SELECTED STATES AND U.S., JANUARY 2013 WITH COMPARISONS

State	All-Milk price <sup>1/2/</sup>				Milk cows <sup>3/</sup>		Alfalfa hay, baled		Corn for Grain		Soybeans	
	Dollars per cwt.				Dollars per head		Dollars per ton		Dollars per bushel		Dollars per bushel	
	December		January		January		January		January		January	
	2011	2012	2012	2013 <sup>4/</sup>	2012	2013 <sup>4/</sup>	2012	2013 <sup>4/</sup>	2012	2013 <sup>4/</sup>	2012	2013 <sup>4/</sup>
AZ	19.10	20.10	18.30	19.00	1,500	1,500	250.00	200.00	---	---	---	---
CA	17.40	18.91	16.61	18.40	1,400	1,200	243.00	215.00	---	---	---	---
CO	19.10	21.40	19.30	20.00	1,500	1,500	240.00	245.00	6.05	7.31	---	---
ID	18.40	19.70	17.70	19.30	1,450	1,300	220.00	200.00	---	---	---	---
IN	20.40	21.50	19.80	20.30	1,450	1,440	---	---	6.21	7.53	12.20	14.40
IA	20.40	21.70	19.60	20.80	1,420	1,400	152.00	232.00	5.99	7.00	11.80	14.10
MI	20.60	21.50	19.80	20.30	1,600	1,600	120.00	230.00	5.97	6.95	11.70	13.70
MN	21.00	21.40	19.70	20.50	1,430	1,400	140.00	240.00	5.85	6.75	11.70	13.90
NM	18.80	20.00	18.40	19.20	1,380	1,380	305.00	239.00	---	---	---	---
NY	20.70	22.10	20.50	20.70	1,450	1,400	129.00	203.00	---	---	---	---
OH	21.10	22.40	20.50	21.20	1,500	1,400	187.00	255.00	6.19	7.29	12.20	14.20
PA	21.40	22.70	21.10	21.20	1,500	1,430	183.00	199.00	6.73	7.40	---	---
TX	20.00	21.30	19.60	20.70	1,400	1,350	265.00	247.00	6.73	7.49	---	---
WA	19.90	21.40	19.40	20.50	1,400	1,300	245.00	225.00	---	---	---	---
WI	20.90	21.30	19.50	20.30	1,550	1,480	130.00	240.00	5.78	6.85	11.90	13.90
U.S.	19.70	20.90	19.00	20.00	1,460	1,370	193.00	217.00	6.07	6.98	11.90	14.10

<sup>1/</sup> Prices are shown at reported butterfat test. <sup>2/</sup> Before deductions for hauling. Includes quality, quantity, and other premiums. Excludes hauling subsidies.

<sup>3/</sup> Animals sold for dairy herd replacement only. Prices estimated in January, April, July, and October. <sup>4/</sup> Preliminary.

## MILK-FEED PRICE RATIO, SELECTED STATES AND U.S., JANUARY 2013 WITH COMPARISONS

Milk-feed: pounds of 16% mixed dairy feed equal in value to 1 pound of whole milk <sup>1/</sup>			
State <sup>2/</sup>	January 2012	December 2012	January 2013 <sup>3/</sup>
IA	1.93	1.71	1.60
MI	2.09	1.69	1.58
MN	2.02	1.65	1.59
OH	1.85	1.62	1.54
WI	2.05	1.65	1.56
U.S.	1.72	1.66	1.58

<sup>1/</sup> The price of commercial prepared dairy feed is based on current United States prices received for corn, soybeans, and alfalfa. The modeled feed uses 51 percent corn, 8 percent soybeans, and 41 percent alfalfa hay. <sup>2/</sup> Available states that provided all necessary data to compute milk feed price ratios.

<sup>3/</sup> Preliminary.

## GENERAL PRICE MEASURES, U.S., JANUARY 2013 WITH COMPARISONS

Item	January 2012	December 2012	January 2013 <sup>1/</sup>
<b>INDEX NUMBERS (1990-92=100):</b>			
Prices received by farmers for dairy products	145	160	153
Prices paid by farmers for commodities and services, interest taxes, and wage rates	210	218	221

<sup>1/</sup> Preliminary.

**Source:** U.S. Department of Agriculture. National Agricultural Statistics Service. Agricultural Statistics Board. *Agricultural Prices, January 2013*.

**OVER-ORDER CHARGES ON PRODUCER MILK, BY CLASS OF UTILIZATION,  
BY FEDERAL MILK ORDER MARKETING AREA, NOVEMBER 2012 1/**

For November 2012, the all reporting areas combined average over-order charge on producer milk used in Class I was \$2.12 per cwt., the same as the October 2012 average. Ninety percent of the producer milk used in Class I carried an over-order charge. On an individual order basis, Class I over-order charges ranged from \$0.81 in the Pacific Northwest to \$3.01 in the Florida Order. For producer milk used in Class II, the all reporting areas combined average over-order charge was \$1.20 per cwt., down \$0.08 per cwt. from the October 2012 average. Eighty percent of the producer milk used in Class II carried an over-order charge.

Federal Milk Order Marketing Area 2/	Order Number	Weighted Average of Over-Order Charges Spread Over Total Class I Milk 1/	Weighted Average of Over-Order Charges Spread Over Total Class II Milk 1/
		\$/cwt	
Appalachian	5	2.82	1.38
Florida	6	3.01	0.40
Southeast	7	2.76	2.16
Upper Midwest	30	2.09	0.91
Central	32	2.02	1.05
Mideast	33	1.85	1.50
Pacific Northwest	124	0.81	0.69
All Reporting Areas Combined 3/		2.12	1.20

1/ Figures are weighted averages of all the over-order charges applicable to any volume of milk used in the respective class spread over 100 percent of the producer milk used in that class. Includes some producer milk for which there was no over-order charge.

2/ Information is available for all Federal milk marketing areas except the Northeast and Southwest. See 3/.

3/ Figures are weighted averages of the available individual marketing area data; includes information for the Arizona order which is administratively confidential.

Report Contact: Randal Stoker, [randal.stoker@usda.gov](mailto:randal.stoker@usda.gov) or 202-690-1932



### ANNOUNCED COOPERATIVE CLASS I PRICES FOR SELECTED CITIES IN FEDERAL MILK ORDERS, FEBRUARY 2013 WITH COMPARISONS 1/

For February 2013, the all-city average announced cooperative Class I price was \$23.28 per cwt., \$2.43 higher than the Federal milk order (FMO) Class I price average for these cities. The February 2013 Cooperative Class I price was \$0.79 lower than the January 2013 price. The February 2013 Federal order Class I price was \$0.76 lower than the January 2013 price. On an individual city basis, the difference between the Federal order and announced cooperative Class I price ranged from \$0.52 in Phoenix, AZ, to \$4.21 in Miami, FL. For February 2012, the all-city average announced cooperative Class I price was \$22.12, \$2.47 higher than the Federal order Class I price average for these cities. Note: For most cities, the Announced Cooperative Class I Price now includes premiums paid for milk produced without rBST.

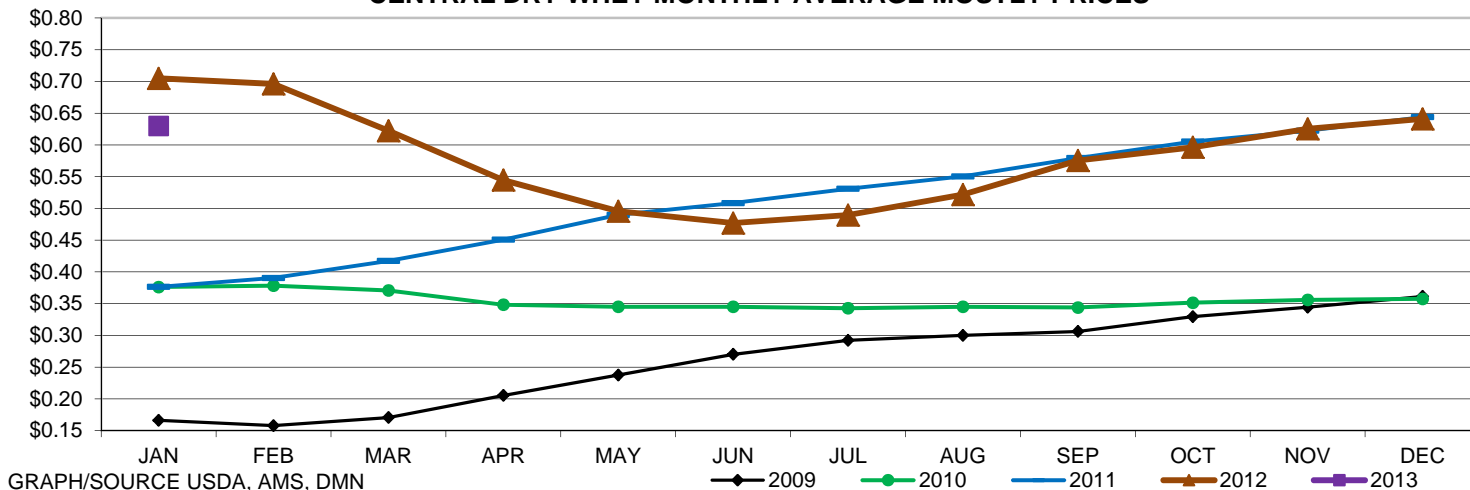
City	FEBRUARY 2013		
	Announced Cooperative Class I Price	Federal Milk Order Class I Price	Difference
	Dollars per hundredweight, 3.5% butterfat		
Atlanta, GA	25.30	22.01	3.29
Baltimore, MD	22.88	21.21	1.67
Boston, MA	23.26	21.46	1.80
Charlotte, NC	24.98	21.61	3.37
Chicago, IL	23.54	20.01	3.53
Cincinnati, OH	23.31	20.41	2.90
Cleveland, OH	23.11	20.21	2.90
Dallas, TX	21.96	21.21	0.75
Denver, CO	22.16	20.76	1.40
Des Moines, IA	22.76	20.01	2.75
Detroit, MI	22.88	20.01	2.87
Hartford, CT	23.16	21.36	1.80
Houston, TX	23.21	21.81	1.40
Indianapolis, IN	23.11	20.21	2.90
Kansas City, MO	22.45	20.21	2.24
Louisville, KY	23.68	20.51	3.17
Memphis, TN	24.28	21.11	3.17
Miami, FL	28.42	24.21	4.21
Milwaukee, WI	23.49	19.96	3.53
Minneapolis, MN	22.20	19.91	2.29
New Orleans, LA	24.18	22.01	2.17
Oklahoma City, OK	22.95	20.81	2.14
Omaha, NE	22.51	20.06	2.45
Philadelphia, PA	24.09	21.26	2.83
Phoenix, AZ	21.08	20.56	0.52
Pittsburgh, PA	23.74	20.31	3.43
St. Louis, MO	22.60	20.21	2.39
Seattle, WA	20.95	20.11	0.84
Springfield, MO	23.25	20.61	2.64
Washington, DC	22.88	21.21	1.67
Wichita, KS	22.35	20.41	1.94
Simple Average	23.28	20.85	2.43

1/ This table contains information from the Class I price announcements sent by the major cooperatives in each city market to all handlers who buy milk from them. These over-order prices include charges for various services performed by the cooperative. In some instances, these over-order prices may not include all credits that may be allowed. These prices have not been verified as having been actually paid by handlers.

Report Contact: Randal Stoker, Dairy Marketing Specialist, at: [randal.stoker@usda.gov](mailto:randal.stoker@usda.gov) or 202-690-1932.

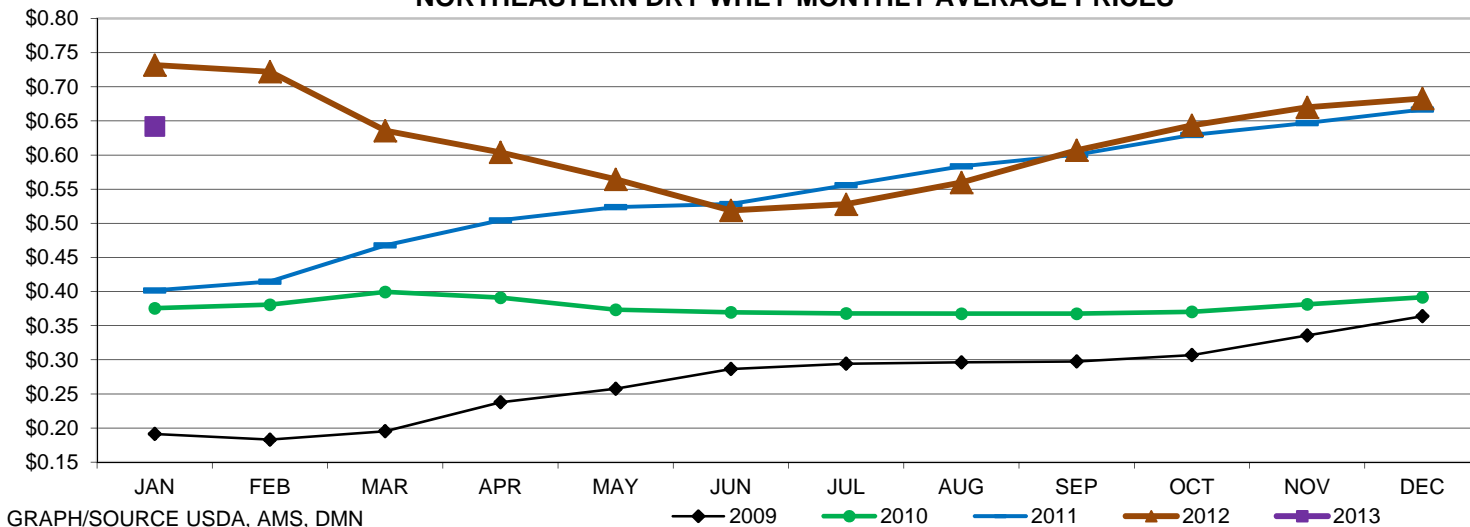
PER POUND

## CENTRAL DRY WHEY MONTHLY AVERAGE MOSTLY PRICES



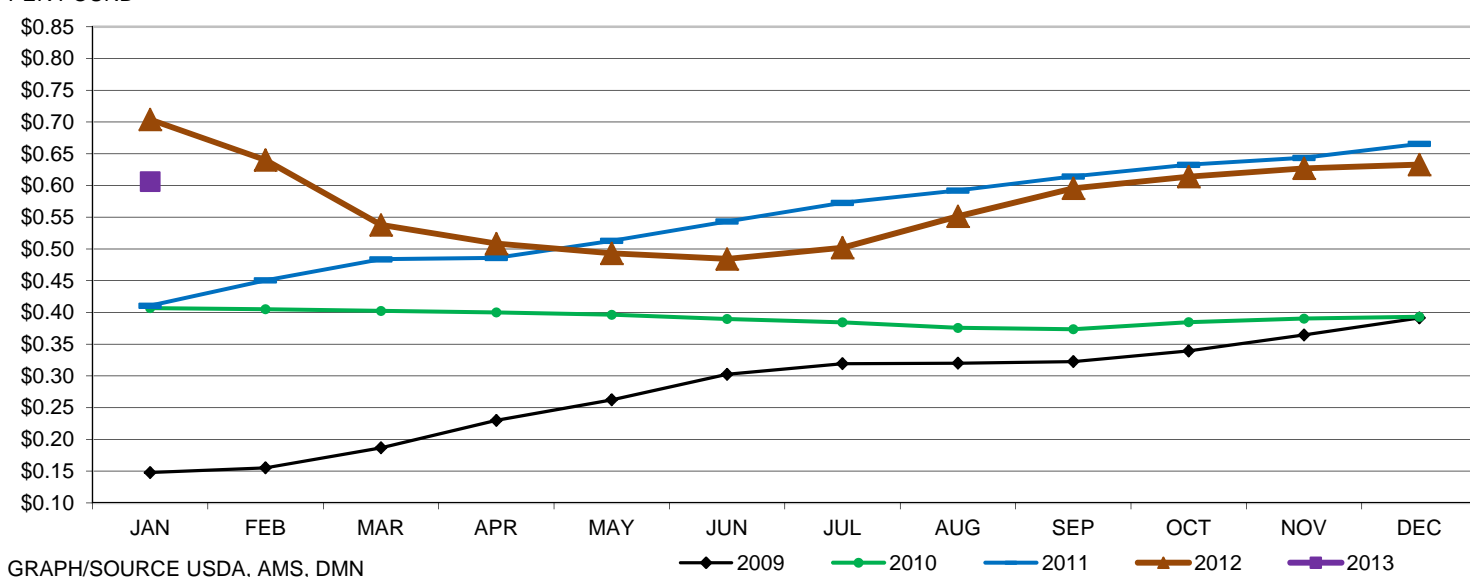
PER POUND

## NORTHEASTERN DRY WHEY MONTHLY AVERAGE PRICES

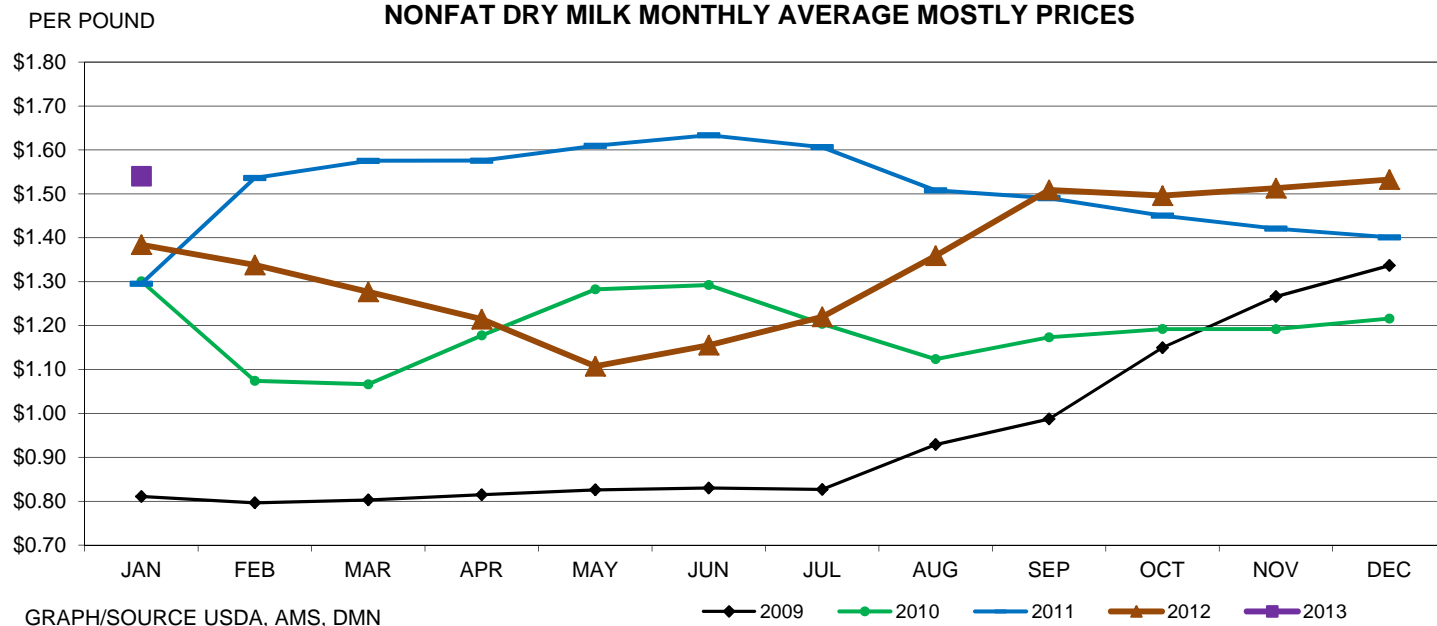


PER POUND

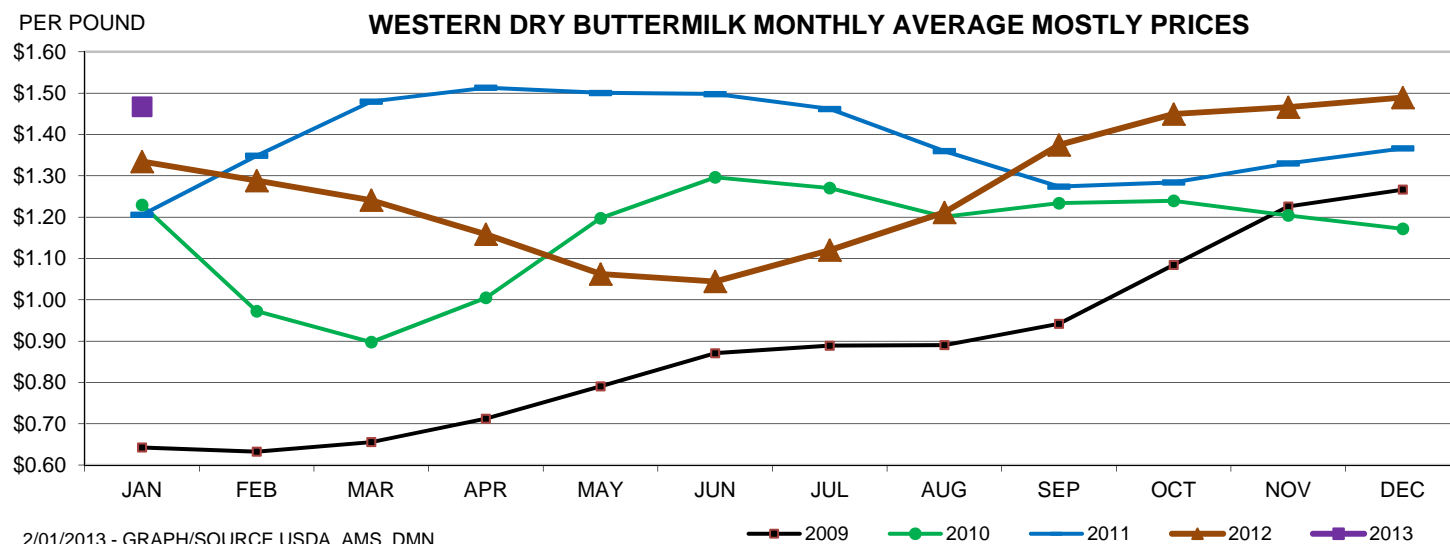
## WESTERN DRY WHEY MONTHLY AVERAGE MOSTLY PRICES



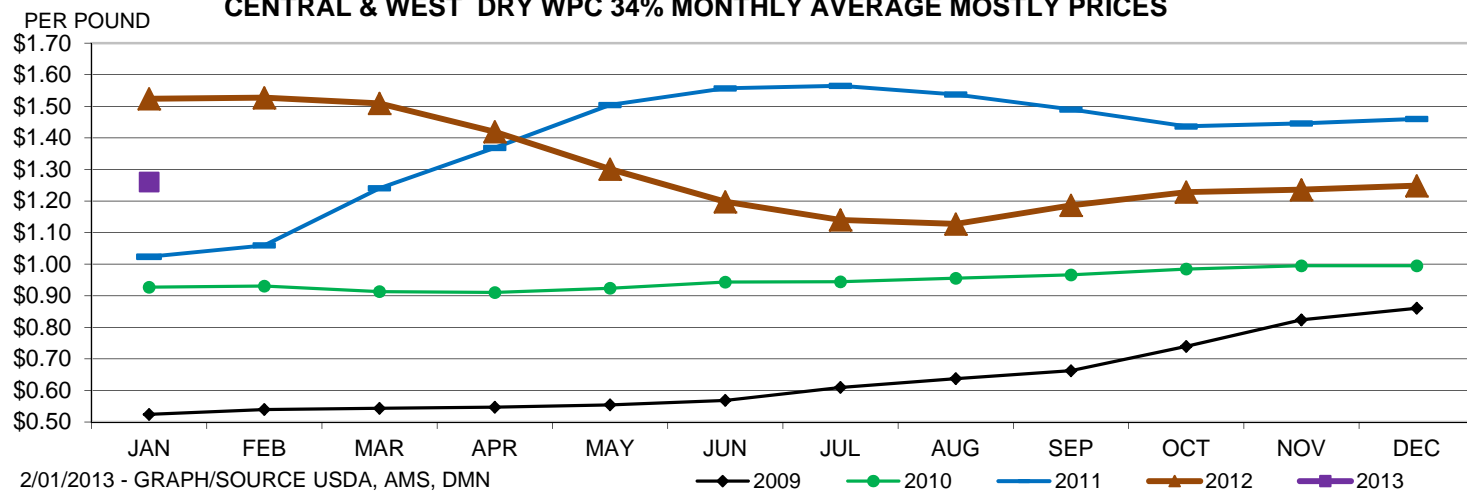
### WESTERN LOW/MEDIUM HEAT NONFAT DRY MILK MONTHLY AVERAGE MOSTLY PRICES



### WESTERN DRY BUTTERMILK MONTHLY AVERAGE MOSTLY PRICES



### CENTRAL & WEST DRY WPC 34% MONTHLY AVERAGE MOSTLY PRICES



# DAIRY MARKET NEWS

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